



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

Governor's Executive Budget
Fiscal Years 2010 – 2011

Overview of Budget
Agency Budgets

Governor's Office of Budget
and Program Planning



Volume 1

Montana State Library



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PROPRIETARY FUND BUDGETS [Section P] can be found on the Internet at:

http://mt.gov/budget/budgets/2011_budget/HB0576OBPP_P.pdf



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Financial Overview:

The following table contains the anticipated general fund revenues, expenditures, and balance through the 2011 biennium:

2011 Biennium General Fund Balance Governor's Budget				
	Actual FY 2008	Projected FY 2009	Projected FY 2010	Projected FY 2011
Balance	\$545.86	\$437.68	\$367.70	\$281.00
Adjustments	\$3.60	(\$4.68)	\$0.00	\$0.00
Adjusted Balance	\$549.46	\$433.00	\$367.70	\$281.00
Revenue				
HJR 2 Revenue - OBPP estimate	\$1,953.52	\$1,917.46	\$1,867.45	\$1,964.13
Recommended revenue bills				
Property Tax Mitigation estimate	-	-	(5.40)	(12.04)
Department of Revenue HB 10	-	-	-	3.50
Department of Administration 911 bill	-	-	(0.54)	(0.54)
Remove Sunset on Fire Suppression Account	-	(31.75)	-	-
Prior year revenue	3.61	-	-	-
Revenue Total	\$1,957.13	\$1,885.71	\$1,861.52	\$1,955.05
Available Funds	\$2,506.59	\$2,318.70	\$2,229.22	\$2,236.05
Disbursements				
Ongoing Appropriations				
General Appropriations Act	1,508.97	1,640.45	1,681.90	1,727.46
Statutory Appropriations* includes new bonding bill	168.45	163.65	179.22	184.86
Non-budgeted Transfers	15.46	8.45	8.68	8.71
Other House or Senate Bill	0.15	0.15	-	-
Language Appropriations	0.31	0.70	-	-
Feed Bill Appropriations	1.26	8.10	-	9.00
HB 13 - Pay Plan	-	-	9.73	20.09
Anticipated Reversions	-	(33.30)	(4.75)	(5.00)
Prior Year	(0.22)	-	-	-
Subtotal Ongoing	1,694.37	1,788.20	1,874.78	1,945.12
One-time appropriations				
General Appropriations Act	44.74	45.86	21.07	7.75
Statutory Appropriations	95.78	-	-	0.22
Non-budgeted Transfers	152.36	97.97	-	-
Other House or Senate Bill	51.23	15.69	5.00	-
Carryforward	0.45	0.60	-	-
Language	29.97	0.03	-	-
Recommended expenditure bills				
Supplemental	-	2.65	-	-
HB 5 - Long Range Building and 20 x 10	-	-	29.08	14.08
HB 11 - TSEP Regional Water	-	-	4.00	-
HB 13 - Pay Plan	-	-	3.08	-
HB 10 - Information Technology Infrastructure	-	-	11.23	2.64
Subtotal OTO	374.53	162.80	73.45	24.68
Disbursement Total (OTO and ongoing)	2,068.91	1,951.00	1,948.22	1,969.80
Ending Fund Balance	\$437.68	\$367.70	\$281.00	\$266.25
Projected Structural Balance - HJR2 Revenue estimate	\$262.75	\$97.50	(\$13.26)	\$9.93
Annual growth in ongoing expenditures from \$1.8 billion budgeted for FY 2009			4.2%	3.8%

The FY 2009 budgeted ongoing expenditures were \$1.8 billion with \$1.875 billion in anticipated revenue. The Administration limited expenditures to be lower than revenues as a fiscally prudent measure.

The Administration is recommending an ending fund balance of no less than \$250 million, plus a fire and emergency reserve account of approximately \$30 million.

The Administration has again set an expenditure ceiling consistent. For FY 2011 this ceiling expenditure is \$1.950 billion. The Governor's recommended budget has ongoing expenditures increase by 4.2% in FY 2010 and by 3.8% in FY 2011.

One-time Only Expenditures:

The following table details the recommendations for \$98.1 million in one-time only appropriations for the 2011 biennium.

General Fund One-Time Only Recommendations			
BILL	Agency	Decision Name	Biennium
HB0005	Long Range Building	Governor's 20 x 10 Initiative	25,000,000
HB0005	Long Range Building	Long Range Building	16,150,000
HB0002	Department of Commerce	NP5190 BRD New Worker Training	7,994,722
HB0002	Legislative Branch	NP4 Reserve Funds for Obsolete Systems	5,000,000
HB0010	Public Health and Human Services	Medicaid IT System and Planning for Child Support	4,000,000
House Bill	Dept. of Natural Resources/Conservation	Blackfeet Water Rights compact	4,000,000
HB0011	Dept. of Natural Resources/Conservation	Regional Water Systems	4,000,000
HB0010	Department of Administration	ESSC moving Expenses and Equipment	3,500,000
HB0010	Department of Revenue	Improve Efficiency through Imaging Technology	3,366,178
HB0013	Governor's Office	Pay Plan Contingency and Training	3,075,000
HB0002	Department of Corrections	PL402 License Plate Renewal	2,886,308
HB0010	Department of Administration	Inter-Operability State Match	2,000,000
HB0002	Department of Administration	NP6109 High Performance Computing Operations	2,000,000
HB0005	Fish, Wildlife, and Parks	Access Montana - Park Acquisition	2,000,000
HB0002	Department of Commerce	NP5191 BRD Tribal Economic Development	1,596,992
HB0010	Department of Administration	GIS Challenge	1,000,000
House Bill	Dept. of Natural Resources/Conservation	Fort Belknap Water Rights Compact	1,000,000
HB0002	Department of Agriculture	NP3005 Invasive Species Advisory Council	1,000,000
HB0002	Department of Commerce	NP5192 EPDD Energy Division	910,000
HB0002	Department of Revenue	NP80008 Improve Efficiency - Field Computers	794,000
HB0002	Public Health and Human Services	NP90600 Health Information Technology	750,000
HB0002	Fish, Wildlife, and Parks	NP303 State Wildlife Grants, Fisheries	500,000
HB0002	Fish, Wildlife, and Parks	NP501 State Wildlife Grants, Wildlife	500,000
HB0002	Department of Justice	NP1814 Continue Meth Watch Program	500,000
HB0002	Department of Commerce	NP7409 Manufactured Home Renovation	354,886
HB0002	Department of Justice	PL1208 License Plate Reissue	321,250
HB0002	Department of Commerce	NP6103 Montana Main Steet Program	250,000
HB0002	Department of Justice	PL3203 Crime Lab Request for Equipment	223,000
Statutory	Department of Administration	PL109 Debt Service Costs - Arbitrage	215,000
HB0002	Dept. of Natural Resources/Conservation	NP2306 Montana Rural Water Systems	203,000
HB0002	Department of Administration	NP304 CAFR Software	200,000
HB0002	Department of Commerce	NP6104 Made in Montana Program	200,000
HB0002	Department of Commerce	PL6105 Montana Equity Capital Act	200,000
HB0002	Public Health and Human Services	NP20019 Low-Income Energy Assistance Pgm	400,000
HB0002	Public Health and Human Services	NP20018 Montana Hunger Reduction	250,000
HB0002	All	Various less than \$200,000	1,783,669
Total			98,124,005

The Governor's budget requires several additional bills to fully enact appropriations containing general fund. The following table represents bills not included in HB 2 but included in the Governor's general fund budget.

Bills not in HB2 but included in the General Fund Only				
Bill	Program	FY 2009	FY 2010	FY 2011
HB1	Feed Bill	8,100,000		9,000,000
HB 3	Supplemental Bill	2,648,696		
HB 5	Long Range Building Cash Program			
	Buildings		8,075,000	8,075,000
	20 x 10 DEQ's Energy Program		20,000,000	5,000,000
	Access Montana - Park Acquisition		1,000,000	1,000,000
HB 10	Long Range Information Technology		11,226,144	2,640,034
HB 11	TSEP - Regional Water		2,000,000	2,000,000
HB 13	Pay Plan		12,804,131	20,087,795
	Remove Sunset on Fire Suppression fund		31,750,000	
	Additional School Trust Land - Debt Service for \$25 Million Bond		919,772	1,839,544
	School Facility Program (general fund portion only)		4,078,000	4,627,000
	School Funding Bill		11,932,635	29,147,779
	Water Compact Fort Belknap		1,000,000	
	Water Compact Blackfeet		4,000,000	
LC 250	911 Bill "Revise Deposit of Stranded 911 Revenue"		263,760	264,073
LC 257	Eliminate Consensus Council		(76,016)	(76,016)
Totals			108,973,426	83,605,209

Feed Bill (HB 1)

The feed bill provides funding for the Legislative Branch for the 2009 Legislative Session. Estimated funding required for the feed bill is \$8.1 million general fund. The 2011 Legislative Session funding is \$9 million general fund.

Supplemental Bill (HB 3)

HB 3 will contain appropriations for 6 agencies.

1. The bill will contain a \$3 million state special revenue appropriation to pay for the remainder of costs incurred for the FY 2008 fire season. Funding is proposed to come from the fire suppression state special revenue fund.
2. A \$15,000 state special revenue approp is included for pass through funding in the misdemeanor probation for domestic violence program operated through the Montana Board of Crime Control
3. The bill will contain an appropriation of \$20 million (split 87% to federal special revenue and 13% to state special revenue) for contractor payments and capital outlay in the Construction Program of the Montana Department of Transportation.
4. Approximately \$2.4 million general fund is included for the Department of Livestock for brucellosis testing and vaccinations. In September of 2008, Montana's brucellosis status was downgraded to Class A from brucellosis Class Free status; a designation that Montana had held since 1985. This downgrade was the result of the diagnoses of brucellosis in livestock in May, 2007 and May, 2008. Through circumstantial evidence, both cases of brucellosis transmission were linked to brucellosis infected wild free ranging elk in the Greater Yellowstone Area. The Department of Livestock will incur \$2,376,296 in costs to pay for personal services, equipment, operating and testing costs associated with regaining Class Free brucellosis status for the State of Montana and to sustain enhanced brucellosis surveillance and risk mitigation in the Greater Yellowstone Area. A general fund appropriation is requested with the ability to roll forward the unexpended portion into FY 2010. The Brucellosis Herd Plan includes brucellosis blood testing of all eligible cattle located in the Greater Yellowstone Area with additional testing of cattle prior to movement from a high risk area to a low risk area or a change of ownership. In addition, the plan provides adult brucellosis vaccination of livestock in the high risk area surrounding Yellowstone National Park. In order for Montana to regain its brucellosis Class Free status, this additional testing of livestock and mitigation of the risk of transmission of brucellosis from wildlife must be implemented.

5. The bill will include \$272,400 general fund for the Department of Justice - Montana Highway Patrol to cover fuel cost overruns in FY 2009.

The following table summarizes all supplemental requests.

Supplemental Bill HB 3		
Program	Fund Type	FY 2009
Wild fire Suppression	State Special funding	3,000,000
Department of Livestock Brucellosis	General Fund	2,376,296
Crime Control Division - Domestic violence program	State Special funding	15,000
Department of Justice - Highway Patrol	General Fund	272,400
Department of Transportation - Construction	State Special funding	2,600,000
Department of Transportation - Construction	Federal Special Revenue	17,400,000

Budget Amendments (HB 4)

In accordance with 17-7-401, MCA, HB 4 presents appropriations normally approved by budget amendment for approval by the legislature.

Long Range Building Program (HB 5)

Requests for energy projects, deferred maintenance, and new space will be listed in Volume 3 of the budget book series and summarized in Section F of Volume 1. Projects for the 2011 biennium rely on \$41.15 million in transfers from the general fund to be completed. \$23.5 million of the \$41.15 million transfer will enable agencies to meet the Governor's 20 x 10 initiative to reduce energy consumption of state government. These funds establish a revolving fund that will return energy savings to the fund balance so that additional projects can be authorized by future Legislatures. The deferred maintenance projects included in the plan will coordinate with the energy projects recommended.

Renewable Resource Grants (HB 6)

Grants that provide funding for projects that conserve, manage, develop or preserve renewable resources in Montana. Project for the 2011 biennium total \$5.072 million and can be seen in detail in Volume 6 of the Executive Budget and summarized in Section F of Volume 1.

Reclamation and Development Grants (HB 7)

Projects that assist in cause and effects from mineral development on public resources and other crucial environmental state needs are reviewed. State special revenue needs for this program are \$6.662 million. The program and projects can be found in volume 5 of the budget books.

Renewable Resource Loans (HB 8)

Loans are made only to private applicants who are credit worthy and able and willing to enter into a contract for a loan repayment.

Cultural and Aesthetic Grants Program (HB 9)

Projects that contribute to or improve the cultural development of a site, building or service request are included in HB 9. Recommended projects can be seen in detail in volume 7 of the budget books.

Long Range Information Technology (HB 10)

The items included in HB 10 are significant information technology (IT) projects for the state. There are 8 requests for systems and equipment requesting funding for the 2011 biennium, \$14,866,178 million general fund plus \$126,101,745 million in other funds. Write ups for the projects can be found in section IT of Volume 1 of the the budget books.

Treasure State Endowment (HB 11)

The list of project for drinking waters systems and wastewater treatment facilities are growing due to federal mandates. Planning grants will increase to \$900,000 in 2011 biennium to help the

growing list of communities needing help getting started. A total of 65 applicants are on the list requesting funding. TSEP has a projected \$16 million in net endowment interest revenue to spend on projects. In addition to the coal trust income funding for the Treasure State Endowment programs, the Administration recommends \$4 million in general fund to jump start the currently authorized regional water programs. The complete list of projects can be found in Volume 4 of the budget books and a summary is shown in Section F of Volume 1.

Pay Plan (HB 13)

The executive has allocated \$29.8 million general fund, \$51.1 million all funds for the biennium for increases in the state's contribution for employees towards health insurance and pay increases. The bill will also include \$3 million general fund, \$6 million all funds for the personal services contingency fund and \$75,000 general fund for the labor – management training initiative.

Remove Sunset on Fire Suppression Account

HB 3, passed in the September 2007 Special Session, created fire suppression state special revenue account. The fund received an initial one-time transfer of \$40 million from the general fund. The fund is scheduled to sunset June 30, 2008, and the balance in the fund scheduled to revert to the general fund. The Executive Budget will include proposed legislation to remove the sunset on the fire suppression fund reappropriate the unexpended balance in the fund, which is estimated to be approximately \$30 million.

Quality School Facility Program.

This program will help the schools in Montana address facility deficiencies and improve technology access. The School Facility Study was completed with appropriations from HB 1 from Legislative Special Session in 2005. This new program will be managed by the Department of Commerce and operate similar to the current Treasure State Endowment Program funded in HB 11. The total recommended expenditure will be \$12 million in the 2011 biennium. Ongoing funding streams for this purpose are: navigable waters revenue and timber revenues for the amount exceeding 18 million board feet. These funding sources should generate in excess \$10 million per year in ongoing funding for school facilities and technology in the future in addition to approximately \$52 million already dedicated to this account.

School Funding Bill

The Governor's school funding bill increases the basic and per ANB entitlements by the inflation rate of 3% per year and increases the per educator entitlement by \$100 per year. A new e-learning program and regional resource sharing will also be contained in this bill.

School Trust Land

A \$25 million bond issue is recommended to purchase additional School Trust land. The bond payments are assumed to be \$0.9 million in FY 2010 and \$1.8 million in FY 2011 paid from the general fund. The additional land will allow for a long term increase in state trust land revenues for public schools.

Water Rights Compacts

As part of its cost-share for the Ft. Belknap-Montana Water Compact, the State of Montana has agreed to provide the funds to construct a storage reservoir on Peoples Creek, which flows onto the reservation. This allows the upstream water users to continue to utilize their water rights while providing continued water delivery to the Tribes. The estimated cost is \$5 million. An initial appropriation of \$1 million general fund in the 2011 biennium would be deposited into the People's Creek minimum flow account created in 85-20-1007, MCA.

As part of its cost-share for the Montana-Blackfeet Water Compact, to be brought before the 2009 Legislature for ratification, the State of Montana has agreed to provide a total of \$20 million towards the construction of an \$87 million repair and enlargement project at Four Horns Reservoir on the reservation. This project will provide a reliable supply of water for the existing

Blackfeet Irrigation Project, while also delivering additional water to water users on Birch Creek to the south, thus protecting the 80,000 acre irrigation project managed by the Pondera Canal and Reservoir Company. \$4 million general fund is requested in the 2011 biennium to be deposited in the Blackfeet Tribe water rights compact infrastructure account created in 85-20-1505, MCA.

911 Bill (LC 250)

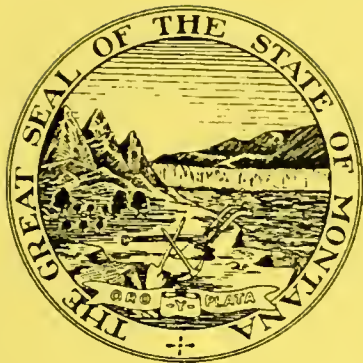
Legislation proposed at the request of the Department of Administration will move revenue intended to fund the state 911 program that is currently "stranded" in the general fund to a state special revenue fund. The associated budget request moves expenditures for the 911 program from the general fund to the state special revenue fund.

Eliminate Consensus Council (LC 257)

On February 22, 2008, the Montana Consensus Council (MCC) voted to terminate the MCC's operations effective June 30, 2008. The Executive Budget zeroes out the budget for the MCC and is related to proposed legislation (LC 257).

Continue Economic Development Programs

The executive recommends extending the statutory sunset on various Economic Development Programs in 15-38-108, MCA. The programs will sunset on July 1, 2010. The programs are Growth Through Agriculture, Cooperative Development Center, Research and Commercialization, Small Business Development Centers, Technology Innovation Partnership (formerly SBIR), Certified Regional Development Corporations, Montana Manufacturing Extension Center and Export Trade.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION A: GENERAL GOVERNMENT

Legislative Branch
Consumer Counsel
Governor's Office
Secretary of State's Office
Commissioner of Political Practices
State Auditor's Office

Department of Revenue
Department of Administration
Consensus Council
Department of Commerce
Department of Labor & Industry
Department of Military Affairs

OBPP Staff:

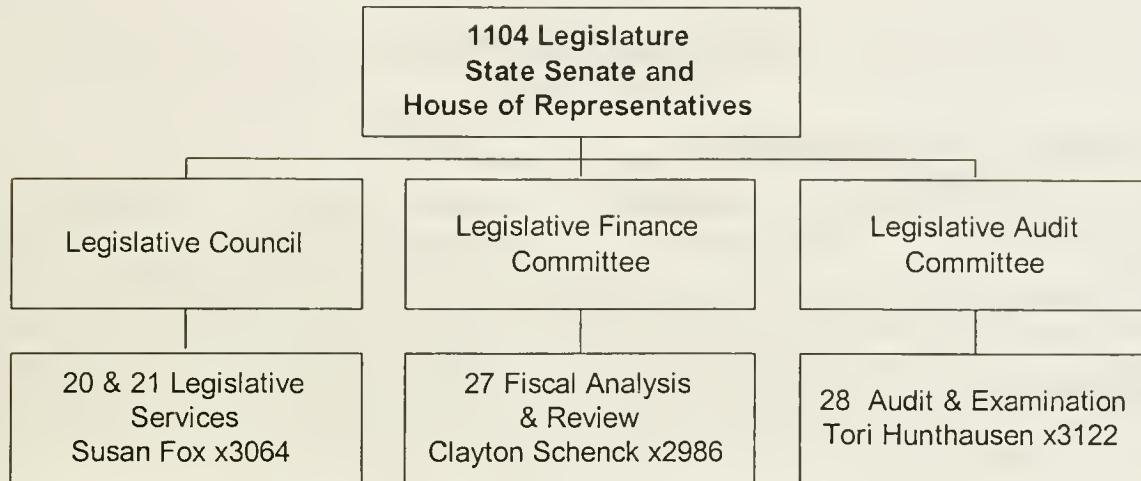
Shawn Graham
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

LEGISLATIVE BRANCH-1104



Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature.

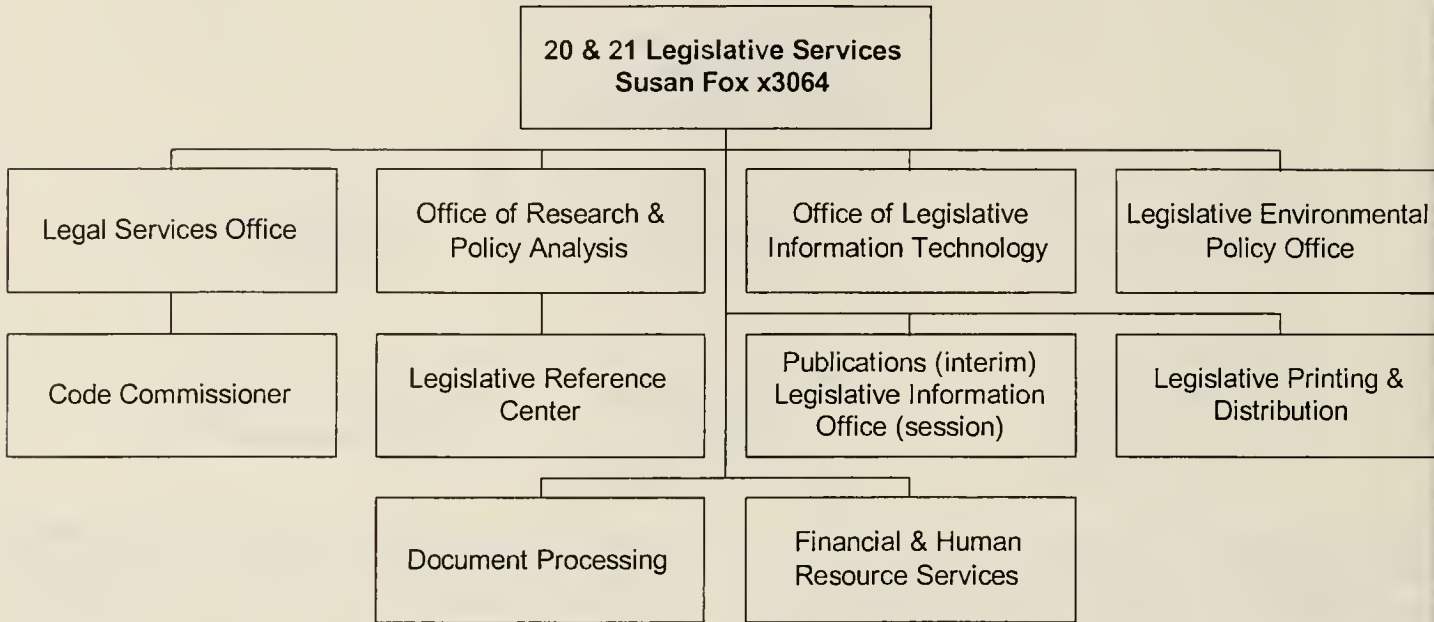
Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The post-audit function of the Legislative Audit Committee is constitutionally required in Article V, Section 10, of the Montana Constitution, and supported by the Legislative Audit Division with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	129.97	0.00	1.00	130.97	0.00	1.00	136.14
Personal Services	8,819,756	1,522,147	77,638	10,419,541	1,506,950	77,665	10,404,371
Operating Expenses	2,484,603	1,187,744	417,438	4,089,785	490,042	675,047	3,649,692
Equipment & Intangible Assets	69,801	5,199	0	75,000	5,199	0	75,000
Transfers	0	0	5,000,000	5,000,000	0	0	0
Total Costs	\$11,374,160	\$2,715,090	\$5,495,076	\$19,584,326	\$2,002,191	\$752,712	\$14,129,063
General Fund	9,116,067	2,284,552	5,495,076	16,895,695	2,233,522	752,712	12,102,301
State/Other Special	2,258,093	430,538	0	2,688,631	(231,331)	0	2,026,762
Total Funds	\$11,374,160	\$2,715,090	\$5,495,076	\$19,584,326	\$2,002,191	\$752,712	\$14,129,063

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

LEGISLATIVE BRANCH-1104

LEGISLATIVE SERVICES DIVISION-20



Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) personnel and business services; 6) planning, installation and maintenance of agency information technology; 7) legislative committee staffing and support; 8) preparation, publication and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of state government and public policy events; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	56.00	0.00	1.00	57.00	0.00	1.00	62.17
Personal Services	3,978,079	751,164	77,638	4,806,881	818,311	77,665	4,874,055
Operating Expenses	1,886,980	789,918	417,438	3,094,336	392,197	675,047	2,954,224
Equipment & Intangible Assets	69,801	5,199	0	75,000	5,199	0	75,000
Transfers	0	0	5,000,000	5,000,000	0	0	0
Total Costs	\$5,934,860	\$1,546,281	\$5,495,076	\$12,976,217	\$1,215,707	\$752,712	\$7,903,279
General Fund	5,059,302	1,490,068	5,495,076	12,044,446	1,741,559	752,712	7,553,573
State/Other Special	875,558	56,213	0	931,771	(525,852)	0	349,706
Total Funds	\$5,934,860	\$1,546,281	\$5,495,076	\$12,976,217	\$1,215,707	\$752,712	\$7,903,279

**LEGISLATIVE BRANCH-1104
LEGISLATIVE SERVICES DIVISION-20**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$643,722	\$619,974
FY 2011	\$253,077	\$547,658

PL- 1 - Program Operations, Legislative Services Division -

Increases and decreases reflect the cyclical legislative business cycle and include a \$39,348 increase in the first year and a \$278,981 decrease in the second year related to publication and distribution of the Montana Code Annotated. Other increases totaling \$52,979 in the first year and \$15,604 in the second year include an increase in library subscription costs, the addition of a videoconferencing bridge as an alternative to travel, an increase in state broadcasting distribution costs, and information officer activities not fully captured in the base year. The branch computer network budget as approved by the Computer Systems Planning Council is also included.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$41,362)	(\$41,362)
FY 2011	\$77,665	\$77,665

NP- 2 - Systems Analyst FTE and Contracted Services Reduction -

This proposal includes a biennial general fund decrease of \$119,000 in present law contracted services from the branch computer network budget and a biennial increase of \$155,303 in personal services for the 1.00 FTE systems analyst position. The net biennial increase is \$36,303. The analyst will document Legislative Fiscal Division (LFD) business processes and existing computer systems (currently supported by LFD staff who are anticipating retirement) and support and maintain those systems in the branch network environment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$528,288	\$528,288
FY 2011	\$666,876	\$666,876

NP- 3 - TVMT Consolidation of Funding & Transmission -

The first part of this proposal is to consolidate funding for TVMT in the LSD. Payments made from carry-forward appropriations, one-time-only appropriations, and legislative feed bills are not included in the present law base. The LSD asks the Legislature to recognize the combined costs already being paid from multiple funding sources and to consolidate appropriations for TVMT. A total of \$331,336 is included in LSD's present law budget; the first part of this proposal appropriates an additional \$283,570 general fund to the LSD for the 2011 biennium to eliminate the use of carryforward funds, one-time appropriations, and beginning with the 2011 session, legislative feed bills. As directed by the Legislative Council, the second part of this proposal is to increase transmission efforts to reach Montana communities not previously included in the TVMT viewing area and to continue the same transmission effort during the legislative interim as during a legislative session. The combined cost for both years of the biennium is \$1,195,164 general fund.

LEGISLATIVE BRANCH-1104

LEGISLATIVE SERVICES DIVISION-20

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000,000	\$5,000,000
FY 2011	\$0	\$0

NP- 4 - Reserve Funds for Obsolete Systems - OTO -

Section 5-11-407, MCA, created the legislative branch reserve account to set aside funds for major legislative branch information technology projects. Funds in the reserve account are invested pursuant to Title 17, Chapter 6, and may only be expended with the approval of the Legislative Council. The estimated reserve balance at the end of FY 2009 will be \$500,000 following replacement of the House and Senate voting systems and boards and FYE 2009 reversions.

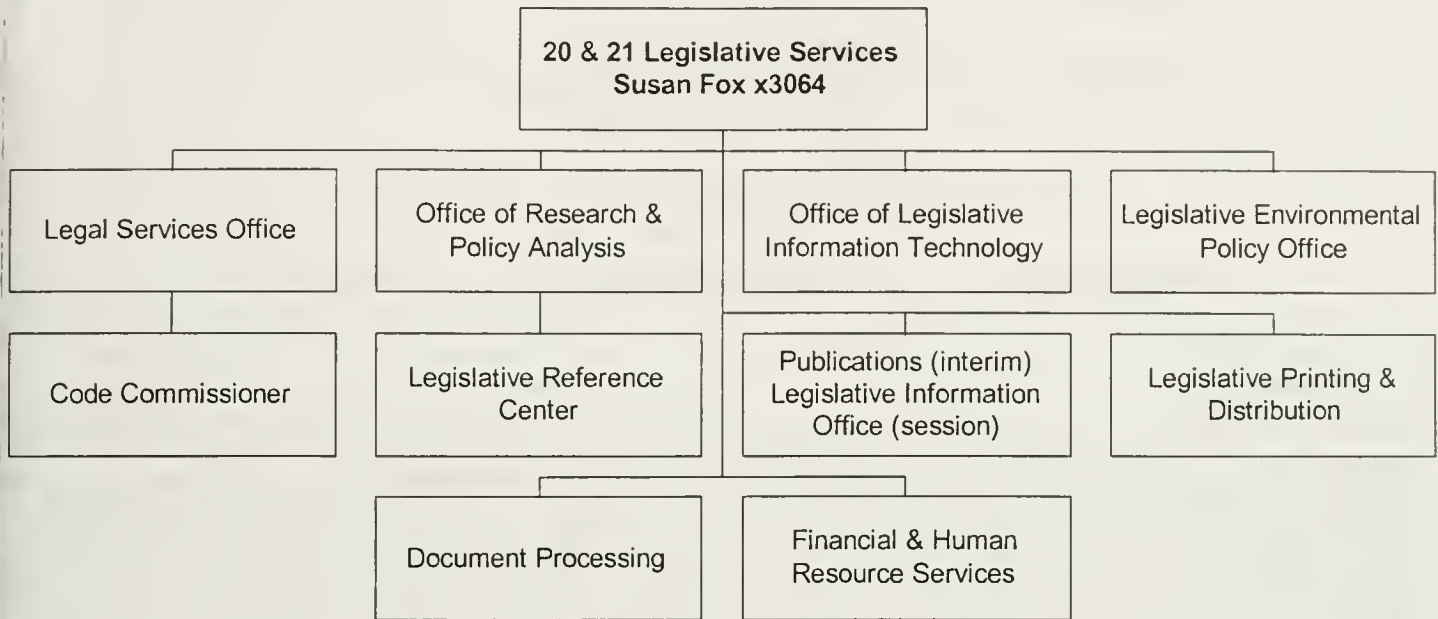
The Legislative Services Division is requesting the legislature transfer \$5 million general fund into the reserve account to provide funding for the replacement of the Legislative Automated Workflow System (LAWS) and appurtenant systems for bill drafting, engrossing, enrolling, committee minutes, journal, bill status, and code update. The replacement process is projected to take four years beginning in FY 2010 and ending in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,150	\$8,150
FY 2011	\$8,171	\$8,171

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$8,150 in FY 2010 and \$8,171 in FY 2011 general fund for the Legislative Branch's allocation of the fixed cost.

LEGISLATIVE BRANCH-1104 LEGIS. COMMITTEES & ACTIVITIES-21



Program Description - The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees that are conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	79,884	55,305	0	135,189	(45,755)	0	34,129
Operating Expenses	393,579	336,860	0	730,439	(13,531)	0	380,048
Total Costs	\$473,463	\$392,165	\$0	\$865,628	(\$59,286)	\$0	\$414,177
General Fund	473,463	392,165	0	865,628	(59,286)	0	414,177
Total Funds	\$473,463	\$392,165	\$0	\$865,628	(\$59,286)	\$0	\$414,177

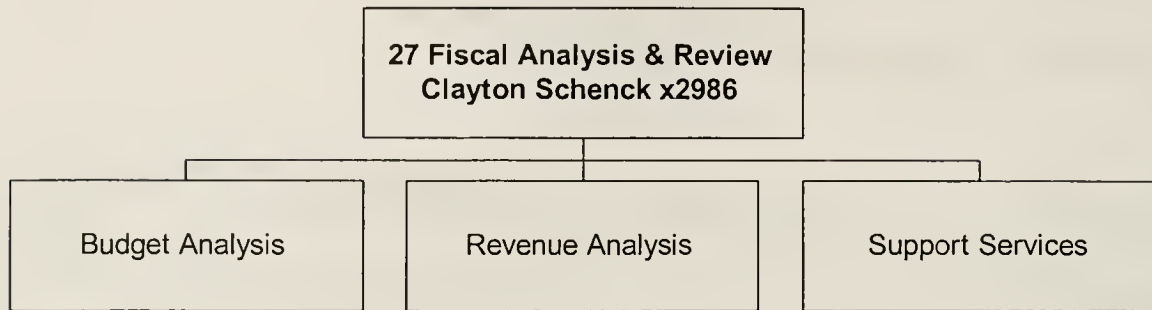
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$336,614	\$336,614
FY 2011	(\$13,802)	(\$13,802)

PL- 5 - Program Operations, Committees & Activities Program -

This proposal includes a general fund increase of \$336,614 in FY 2010 and a decrease of \$13,802 in FY 2011. First year increases and second year decreases reflect adjustments to the base year for the biennial legislative interim. Biennial program increases include increased costs of lodging and mileage only partially captured in the base year, organizational dues, training and conference registration fees, and re-establishment of the Legislative Council discretionary fund for emerging issues. Additional funding is also included for the districting and apportionment cycle and legislative liaisons to the Board of Investments now required by 2-15-1808, MCA, and the State Administration of Veteran's Affairs Interim Committee to meet statutory requirements of 5-5-228, MCA.

LEGISLATIVE BRANCH-1104 FISCAL ANALYSIS & REVIEW-27



Program Description - The Legislative Fiscal Division provides the Legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50
Personal Services	1,457,907	202,970	0	1,660,877	205,282	0	1,663,189
Operating Expenses	41,284	110	0	41,394	43,635	0	84,919
Total Costs	\$1,499,191	\$203,080	\$0	\$1,702,271	\$248,917	\$0	\$1,748,108
General Fund	1,499,191	203,080	0	1,702,271	248,917	0	1,748,108
Total Funds	\$1,499,191	\$203,080	\$0	\$1,702,271	\$248,917	\$0	\$1,748,108

-----Present Law Adjustments-----

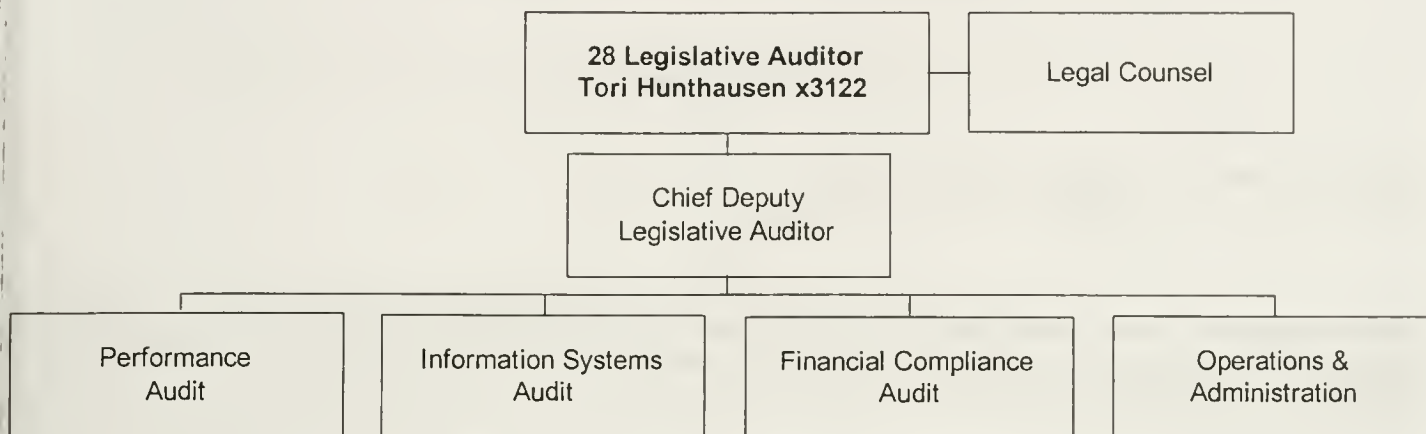
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$45,000	\$45,000

PL- 6 - Program Operations, Legislative Fiscal Division -

This proposal increases the FY 2011 budget by \$45,000 general fund in the categories of overtime, temporary services, printing, photocopy, and office supplies, and are due to cyclical legislative session costs which are not captured in the base year. This is the same amount approved for the 2009 biennium session costs, and is not an increase when comparing biennium to biennium.

LEGISLATIVE BRANCH-1104

AUDIT & EXAMINATION-28



Program Description - The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	3,303,886	512,708	0	3,816,594	529,112	0	3,832,998
Operating Expenses	162,760	60,856	0	223,616	67,741	0	230,501
Total Costs	\$3,466,646	\$573,564	\$0	\$4,040,210	\$596,853	\$0	\$4,063,499
General Fund	2,084,111	199,239	0	2,283,350	302,332	0	2,386,443
State/Other Special	1,382,535	374,325	0	1,756,860	294,521	0	1,677,056
Total Funds	\$3,466,646	\$573,564	\$0	\$4,040,210	\$596,853	\$0	\$4,063,499

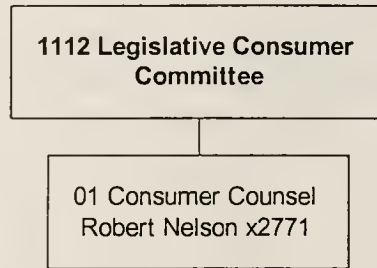
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$17,619	\$9,786
FY 2011	\$10,119	\$2,286

PL- 7 - Program Operations, Audit & Examination Program -

This present law adjustment includes changes from the adjusted base for cyclical costs associated with a Peer Review required by Government Auditing Standards, Legislative Branch audit, and contract services for the potential use of actuarial expertise on audits of the retirement systems and Montana State Fund.

CONSUMER COUNSEL-1112 ADMINISTRATION PROGRAM-01



Mission Statement - To represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15, MCA and
Title 69, Chapters 1 and 2, MCA

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems or administrative agencies on behalf of the public of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54
Personal Services	364,167	197,006	0	561,173	198,059	0	562,226
Operating Expenses	898,741	291,506	165	1,190,412	301,450	143	1,200,334
Total Costs	\$1,262,908	\$488,512	\$165	\$1,751,585	\$499,509	\$143	\$1,762,560
State/Other Special	1,262,908	488,512	165	1,751,585	499,509	143	1,762,560
Total Funds	\$1,262,908	\$488,512	\$165	\$1,751,585	\$499,509	\$143	\$1,762,560

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$287,804	\$0
FY 2011	\$297,867	\$0

PL- 1 - Present Law Base Adjustment -

The present law budget includes \$96,568 each year of the biennium to restore the contingency appropriation to \$250,000 for costs associated with unanticipated caseload, consistent with appropriations in prior biennia. The remaining adjustments are attributed to contract amounts and anticipated workload.

**CONSUMER COUNSEL-1112
ADMINISTRATION PROGRAM-01**

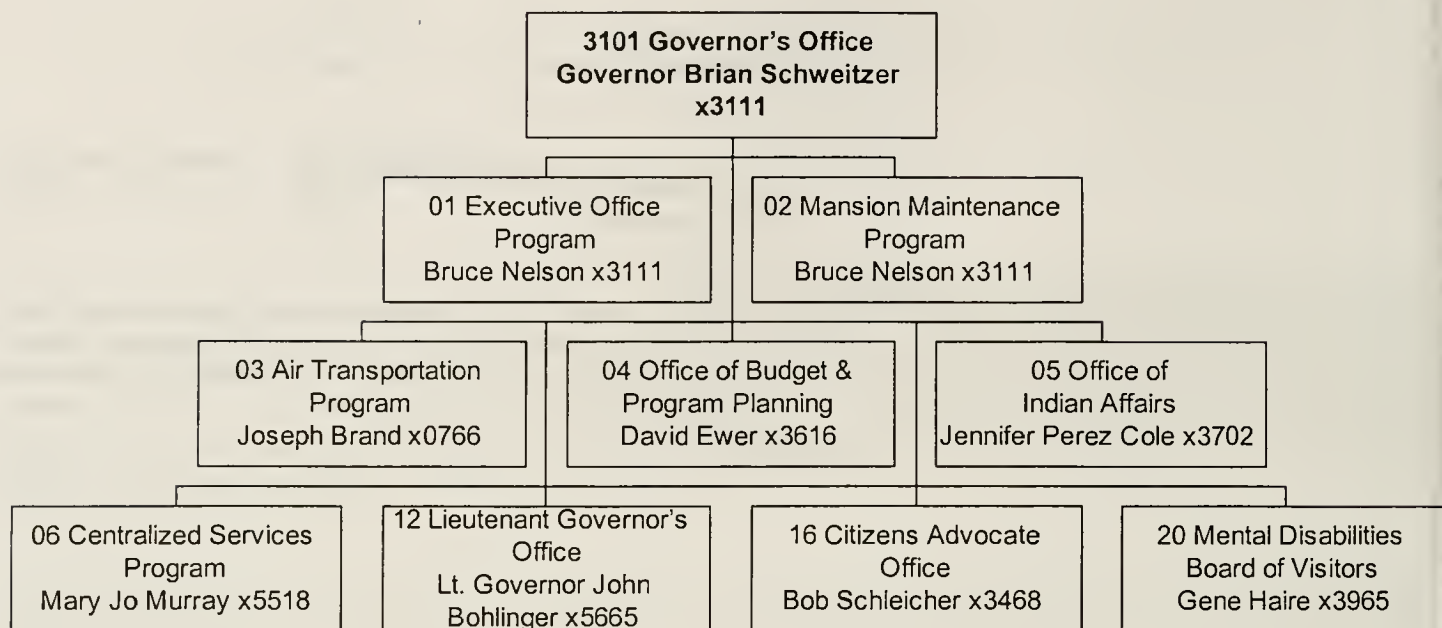
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165	\$0
FY 2011	\$143	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$165 in FY 2010 and \$143 in FY 2011 general fund for the Consumer Counsel's allocation of the fixed cost.

GOVERNORS OFFICE-3101

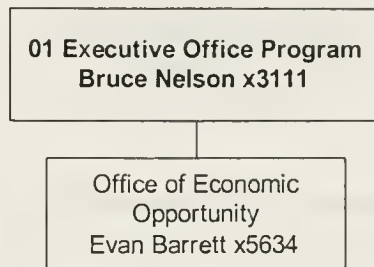


Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	60.07	0.00	0.00	60.07	0.00	0.00	60.07
Personal Services	4,324,180	154,747	0	4,478,927	159,965	0	4,484,145
Operating Expenses	1,517,318	310,030	27,153	1,854,501	145,139	26,867	1,689,324
Total Costs	\$5,841,498	\$464,777	\$27,153	\$6,333,428	\$305,104	\$26,867	\$6,173,469
General Fund	5,820,498	453,277	27,153	6,300,928	293,604	26,867	6,140,969
State/Other Special	21,000	11,500	0	32,500	11,500	0	32,500
Total Funds	\$5,841,498	\$464,777	\$27,153	\$6,333,428	\$305,104	\$26,867	\$6,173,469

GOVERNORS OFFICE-3101 EXECUTIVE OFFICE PROGRAM-01



Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	21.63	0.00	0.00	21.63	0.00	0.00	21.63
Personal Services	1,674,183	34,937	0	1,709,120	36,095	0	1,710,278
Operating Expenses	950,901	34,015	0	984,916	35,121	0	986,022
Total Costs	\$2,625,084	\$68,952	\$0	\$2,694,036	\$71,216	\$0	\$2,696,300
General Fund	2,625,084	68,952	0	2,694,036	71,216	0	2,696,300
Total Funds	\$2,625,084	\$68,952	\$0	\$2,694,036	\$71,216	\$0	\$2,696,300

GOVERNORS OFFICE-3101 EXECUTIVE RESIDENCE OPERATIONS-02

**02 Mansion Maintenance
Program
Bruce Nelson x3111**

Program Description - The Governor's Residence Operations Program provides for the day-to-day operations of the official state executive residence.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	60,356	(7,945)	0	52,411	(7,906)	0	52,450
Operating Expenses	32,445	3,565	25,000	61,010	3,846	25,000	61,291
Total Costs	\$92,801	(\$4,380)	\$25,000	\$113,421	(\$4,060)	\$25,000	\$113,741
General Fund	92,801	(4,380)	25,000	113,421	(4,060)	25,000	113,741
Total Funds	\$92,801	(\$4,380)	\$25,000	\$113,421	(\$4,060)	\$25,000	\$113,741

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$25,000	\$25,000

NP- 7 - Executive Residence - OTO -

Both the 2005 and the 2007 Legislatures provided one-time-only funding for the operations of the Executive Residence. The budget includes a request to reauthorize this one-time-only \$25,000 general fund appropriation each year of the 2011 biennium.

GOVERNORS OFFICE-3101 AIR TRANSPORTATION PROGRAM-03

03 Air Transportation Program
Joseph Brand x0766

Program Description - The Air Transportation Program provides the Governor with air transportation.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	115,544	(7,864)	0	107,680	(6,793)	0	108,751
Operating Expenses	156,508	96,132	0	252,640	17,605	0	174,113
Total Costs	\$272,052	\$88,268	\$0	\$360,320	\$10,812	\$0	\$282,864
General Fund	272,052	80,268	0	352,320	2,812	0	274,864
State/Other Special	0	8,000	0	8,000	8,000	0	8,000
Total Funds	\$272,052	\$88,268	\$0	\$360,320	\$10,812	\$0	\$282,864

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$80,000	\$80,000
FY 2011	\$0	\$0

PL- 3 - Aircraft Maintenance - Biennial -

Certain major maintenance on the state-owned aircraft did not fall in the base year. Expenditures in the base year are not adequate to provide sufficient budget for propeller overhaul and wing inspections and possible wing repair. The budget request includes \$80,000 general fund, as a biennial appropriation, to allow these maintenance actions to be completed.

GOVERNORS OFFICE-3101 OFC BUDGET & PROGRAM PLANNING-04

**04 Office of Budget &
Program Planning
David Ewer x3616**

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.00	0.00	0.00	19.00	0.00	0.00	19.00
Personal Services	1,400,868	83,523	0	1,484,391	85,131	0	1,485,999
Operating Expenses	178,299	29,332	0	207,631	27,486	0	205,785
Total Costs	\$1,579,167	\$112,855	\$0	\$1,692,022	\$112,617	\$0	\$1,691,784
General Fund	1,579,167	112,855	0	1,692,022	112,617	0	1,691,784
Total Funds	\$1,579,167	\$112,855	\$0	\$1,692,022	\$112,617	\$0	\$1,691,784

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$15,000	\$15,000

PL- 1 - OBPP Session Costs -

Because the legislative session does not occur in the base year, costs incurred in preparing for every legislative session or not captured in the base budget for the program. The Executive Budget includes \$15,000 general fund in FY 2011 to cover the cost of printing the Governor's Executive Budget and other session-related costs.

GOVERNORS OFFICE-3101 COORDINATOR OF INDIAN AFFAIRS-05

05 Office of Indian Affairs
Jennifer Perez Cole x3702

Program Description - The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	138,294	7,548	0	145,842	7,817	0	146,111
Operating Expenses	22,214	14,190	0	36,404	14,461	0	36,675
Total Costs	\$160,508	\$21,738	\$0	\$182,246	\$22,278	\$0	\$182,786
General Fund	160,508	21,738	0	182,246	22,278	0	182,786
Total Funds	\$160,508	\$21,738	\$0	\$182,246	\$22,278	\$0	\$182,786

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000	\$5,000
FY 2011	\$5,000	\$5,000

PL- 2 - Coordinator of Indian Affairs Operating Budget -

The executive recommends \$5,000 general fund each year of the biennium for the Office of the Coordinator of Indian Affairs. Expenses for the office in FY 2006 did not reflect an adequate base. This level has carried forward into the 2009 biennium, and there is not sufficient budget to maintain a realistic level of operations.

GOVERNORS OFFICE-3101 CENTRALIZED SERVICES DIVISION-06

**06 Centralized Services
Program
Mary Jo Murray x5518**

Program Description - The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	255,652	18,218	0	273,870	18,543	0	274,195
Operating Expenses	45,953	118,734	2,153	166,840	32,555	1,867	80,375
Total Costs	\$301,605	\$136,952	\$2,153	\$440,710	\$51,098	\$1,867	\$354,570
General Fund	301,605	136,952	2,153	440,710	51,098	1,867	354,570
Total Funds	\$301,605	\$136,952	\$2,153	\$440,710	\$51,098	\$1,867	\$354,570

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$85,515	\$85,515
FY 2011	\$37,820	\$37,820

PL- 6 - Maintain Computer Replacement Schedule - OTO -

The Governor's Office operates on the state standard 4-year replacement cycle for computer equipment. This request includes \$85,515 in FY 2010 and \$37,820 in FY 2011 to replace the computer equipment that will come due on the 4-year replacement schedule during the 2011 biennium. Funding is one-time-only general fund.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,153	\$2,153
FY 2011	\$1,867	\$1,867

NP- 5 - Workers Compensation Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,153 in FY 2010 and \$1,867 in FY 2011 general fund for the Governor's Office allocation of the fixed cost.

**GOVERNORS OFFICE-3101
LIEUTENANT GOVERNOR'S OFFICE-12**

12 Lieutenant Governor's Office Lt. Governor John Bohlinger x5665
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Program Description - The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	3.94	0.00	0.00	3.94	0.00	0.00	3.94
Personal Services	290,179	8,501	0	298,680	8,689	0	298,868
Operating Expenses	49,173	5,063	0	54,236	5,159	0	54,332
Total Costs	\$339,352	\$13,564	\$0	\$352,916	\$13,848	\$0	\$353,200
General Fund	339,352	13,564	0	352,916	13,848	0	353,200
Total Funds	\$339,352	\$13,564	\$0	\$352,916	\$13,848	\$0	\$353,200

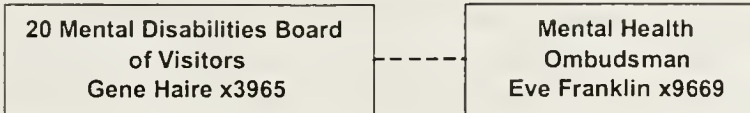
GOVERNORS OFFICE-3101 CITIZENS' ADVOCATE OFFICE-16

16 Citizens Advocate Office
Bob Schleicher x3468

Program Description - The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	88,892	(824)	0	88,068	(720)	0	88,172
Operating Expenses	10,991	1,202	0	12,193	1,197	0	12,188
Total Costs	\$99,883	\$378	\$0	\$100,261	\$477	\$0	\$100,360
General Fund	78,883	(3,122)	0	75,761	(3,023)	0	75,860
State/Other Special	21,000	3,500	0	24,500	3,500	0	24,500
Total Funds	\$99,883	\$378	\$0	\$100,261	\$477	\$0	\$100,360

GOVERNORS OFFICE-3101 MENTAL DISABILITIES BD VISITRS-20



Program Description - The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at the Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.5 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	300,212	18,653	0	318,865	19,109	0	319,321
Operating Expenses	70,834	7,797	0	78,631	7,709	0	78,543
Total Costs	\$371,046	\$26,450	\$0	\$397,496	\$26,818	\$0	\$397,864
General Fund	371,046	26,450	0	397,496	26,818	0	397,864
Total Funds	\$371,046	\$26,450	\$0	\$397,496	\$26,818	\$0	\$397,864

-----Present Law Adjustments-----

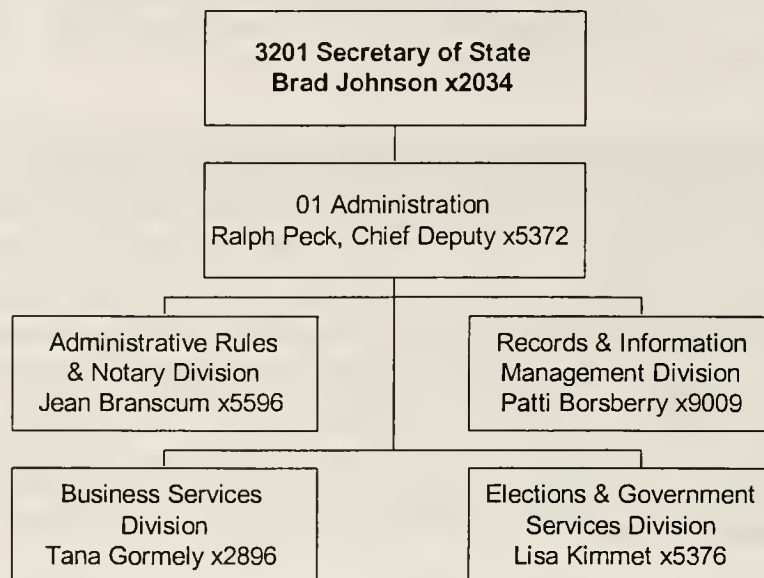
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000	\$5,000
FY 2011	\$5,000	\$5,000

PL- 4 - Mental Health Ombudsman Operating -

The budget includes \$5,000 general fund each year of the 2011 biennium for the Mental Health Ombudsman. FY 2008 expenditures for the Mental Health Ombudsman Program were not representative of an adequate base. Twenty percent of the operating budget was reverted due to a transition in the Ombudsman position.

SECRETARY OF STATES OFFICE-3201 BUSINESS & GOVERNMENT SERVICES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Secretary of State's Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process
- Facilitate public participation in governmental rulemaking
- Provide easier access to information

Statutory Authority - Article VI, Section 1, Montana Constitution; 2-4-311-312, 2-6-203, and 2-15-401, MCA.

Program Description - The Secretary of State has one program, the Business and Government Program, with five divisions: 1) the Elections and Government Services Division; 2) the Business Services Division; 3) the Administrative Rules and Certification and Notary Services Division; 4) the Records and Information Management Division; and 5) the Management Services Division.

SECRETARY OF STATES OFFICE-3201 BUSINESS & GOVERNMENT SERVICES-01

Program Proposed Budget

Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	165,000	165,000	0	140,000	140,000
Total Costs	\$0	\$0	\$165,000	\$165,000	\$0	\$140,000	\$140,000
Federal Special	0	0	165,000	165,000	0	140,000	140,000
Total Funds	\$0	\$0	\$165,000	\$165,000	\$0	\$140,000	\$140,000

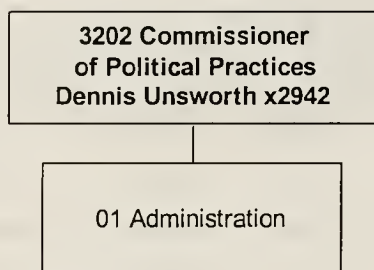
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165,000	\$0
FY 2011	\$140,000	\$0

NP- 3 - HAVA Interest - Bien/OTO -

Spending authority is requested for interest earned from the Help America Vote Act (HAVA) federal grant. Authority will be used for grants to counties. The spending authority of \$165,000 in FY 2010 and \$140,000 in FY 2011 is requested as biennial and one-time-only.

COMMISSIONER OF POLITICAL PRAC-3202 ADMINISTRATION-01



Mission Statement - To monitor and to enforce in a fair and impartial manner; campaign practices and campaign finance disclosure, lobbying disclosure, business interest disclosure of statewide and state district candidates, elected state officials and state department directors; ethical standards of conduct for legislators, public officers and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the Legislature enacted the code of ethics and assigned to the Commissioner the responsibility for administering ethical standards of conduct for legislators, public officers, and state employees.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	218,906	69,226	0	288,132	69,354	0	288,260
Operating Expenses	146,514	16,401	82,151	245,066	9,122	79,131	234,767
Total Costs	\$365,420	\$85,627	\$82,151	\$533,198	\$78,476	\$79,131	\$523,027
General Fund	365,420	85,627	82,151	533,198	78,476	79,131	523,027
Total Funds	\$365,420	\$85,627	\$82,151	\$533,198	\$78,476	\$79,131	\$523,027

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,680	\$4,680
FY 2011	\$4,680	\$4,680

PL- 1 - Increases in Web/IT, Telephone, & Travel -

This request is for \$4,680 general fund each year of the biennium to cover increased costs in web administrator software, FileNet storage, telephone, and travel funding for the investigator.

**COMMISSIONER OF POLITICAL PRAC-3202
ADMINISTRATION-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$59,000	\$59,000
FY 2011	\$59,000	\$59,000

NP- 2 - Additional Legal Costs Funding - OTO -

The executive recommends \$59,000 OTO general fund each year of the biennium for anticipated legal costs and to decrease the backlog of unresolved complaints.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,000	\$3,000
FY 2011	\$0	\$0

NP- 4 - Building Security Update- OTO -

This request is for a \$3,000 OTO general fund appropriation in FY 2010 to improve security by adding an alarm system and document shredding equipment at the Commissioner of Political Practices office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,000	\$20,000
FY 2011	\$20,000	\$20,000

NP- 5 - IT Application Maintenance and Enhancement -

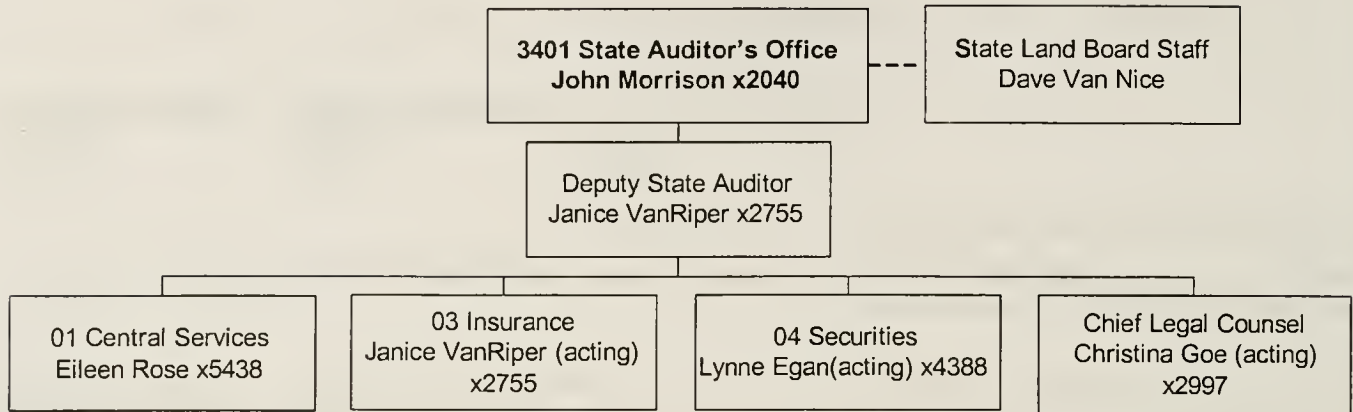
This request is for \$20,000 general fund each year of the biennium for maintenance and enhancements to two computer applications coming online in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$151	\$151
FY 2011	\$131	\$131

NP- 6 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$151 in FY 2010 and \$131 in FY 2011 general fund for the Commissioner of Political Practice's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401



Mission Statement - The mission of the State Auditor's Office is to assure compliance with the Montana insurance and securities laws, promote captive insurance formations, administer the Insure Montana program, and assist consumers with complaints involving the securities and insurance industries. In addition, the office strives to keep abreast of regional and national developments in those industries in order to inform state policy makers about needed statutory changes and to answer inquiries.

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation, and Title 33, MCA, Insurance.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	78.50	1.00	3.00	82.50	1.00	3.00	82.50
Personal Services	3,840,273	949,258	173,241	4,962,772	957,517	173,285	4,971,075
Operating Expenses	1,334,922	590,004	63,593	1,988,519	927,367	54,181	2,316,470
Benefits & Claims	10,152,855	1,345,800	0	11,498,655	1,345,800	0	11,498,655
Transfers	0	0	0	0	0	0	0
Total Costs	\$15,328,050	\$2,885,062	\$236,834	\$18,449,946	\$3,230,684	\$227,466	\$18,786,200
State/Other Special	15,328,050	2,885,062	236,834	18,449,946	3,230,684	227,466	18,786,200
Proprietary	0	0	0	0	0	0	0
Total Funds	\$15,328,050	\$2,885,062	\$236,834	\$18,449,946	\$3,230,684	\$227,466	\$18,786,200

STATE AUDITORS OFFICE-3401 CENTRAL MANAGEMENT-01

01 Central Services
Eileen Rose x5438

01 Legal Unit
Chief Legal Counsel
Christina Goe (acting) x2997

Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the auditor in fulfilling the duties as a member of the state land and hail insurance boards.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	444,468	156,264	0	600,732	156,442	0	600,910
Operating Expenses	117,281	87,090	576	204,947	85,718	499	203,498
Total Costs	\$561,749	\$243,354	\$576	\$805,679	\$242,160	\$499	\$804,408
State/Other Special	561,749	243,354	576	805,679	242,160	499	804,408
Total Funds	\$561,749	\$243,354	\$576	\$805,679	\$242,160	\$499	\$804,408

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,544	\$0
FY 2011	\$17,607	\$0

PL- 101 - CSD Annual Rent Increase -

Included in the executive budget is \$9,544 in FY 2010 and \$17,607 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$46,064	\$0
FY 2011	\$46,064	\$0

PL- 102 - CSD - Base Adjustment -

This request of \$46,064 state special revenue each year of the biennium is for additional travel expenses. In FY 2008, three staff attended the National Association of Insurance Commissioners (NAIC) quarterly meetings and the expenditures are reimbursed by NAIC.

**STATE AUDITORS OFFICE-3401
CENTRAL MANAGEMENT-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$576	\$0
FY 2011	\$499	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$576 in FY 2010 and \$499 in FY 2011 state special revenue for the Central Management Division's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401 INSURANCE-03

03 Insurance
Janice VanRiper (acting) x2755

Market Compliance
Bureau

Examinations
Bureau

Licensing
Bureau

Policyholder
Services Unit

Forms
Bureau

Insure Montana

Rates
Bureau

Program Description - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Unit is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the Captive Insurance program, which promotes and regulates captive insurers in the state. The Rates Bureau and the Forms Bureau are responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Insure Montana Bureau administers the Small Business Health Insurance Purchasing Pool and Tax Credit program. The Legal Unit, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. Investigations, which is under the Legal Unit, investigates code and rule violations, including possible criminal violations, and recommends referral of cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	55.50	1.00	3.00	59.50	1.00	3.00	59.50
Personal Services	2,912,796	512,893	173,241	3,598,930	520,201	173,285	3,606,282
Operating Expenses	1,088,078	398,400	62,744	1,549,222	729,543	53,445	1,871,066
Benefits & Claims	10,152,855	1,345,800	0	11,498,655	1,345,800	0	11,498,655
Transfers	0	0	0	0	0	0	0
Total Costs	\$14,153,729	\$2,257,093	\$235,985	\$16,646,807	\$2,595,544	\$226,730	\$16,976,003
State/Other Special	14,153,729	2,257,093	235,985	16,646,807	2,595,544	226,730	16,976,003
Proprietary	0	0	0	0	0	0	0
Total Funds	\$14,153,729	\$2,257,093	\$235,985	\$16,646,807	\$2,595,544	\$226,730	\$16,976,003

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$46,798	\$0
FY 2011	\$91,542	\$0

PL- 301 - Insurance Annual Rent Increase -

Included in the executive budget is \$46,798 in FY 2010 and \$91,542 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in FY 2011.

STATE AUDITORS OFFICE-3401

INSURANCE-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,489	\$0
FY 2011	\$37,489	\$0

PL- 302 - Insurance - Exam Bureau - Annualize Captive Base

This request of \$37,489 state special revenue for both FY 2010 and FY 2011 is to annualize the costs associated with hiring a new FTE in the Captive Insurance program during the base year. The 2007 Legislature authorized an additional 1.00 FTE once the number of captive companies reached 30. The new FTE was hired February 15, 2008. The statutes require the captive companies be examined every three years with the influx of exams schedule driving the operating costs. The exam costs are recovered from the captive company and results in no cost to the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,428	\$0
FY 2011	\$5,800	\$0

PL- 303 - Insurance - Rates Base Adjustment -

This base adjustment request of \$4,428 in FY 2010 and \$5,800 in FY 2011 of state special revenue is for increased travel and training costs and to purchase specialized actuary books and minor software. The software is purchased biennially and occurs in the first year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,244	\$0
FY 2011	\$15,268	\$0

PL- 304 - Insurance - Legal Base Adjustment -

This request of \$15,244 in FY 2010 and \$15,268 in FY 2011 of state special revenue funding is for additional secured storage space, increased legal, travel, and education costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,078	\$0
FY 2011	\$8,078	\$0

PL- 305 - Insurance - Investigations Base Adjustment -

This request of \$8,078 for FY 2010 and FY 2011 of state special revenue is for increased travel and training costs for the Investigations Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,166	\$0
FY 2011	\$15,166	\$0

PL- 306 - Insurance - Forms Bureau Base Adjustment -

This request of \$15,166 each year of the biennium of state special revenue is for increased travel and training costs for the Forms Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,575	\$0
FY 2011	\$10,580	\$0

PL- 307 - Insurance - Policyholder Services Bureau Base Adjustment -

This request of \$12,575 in FY 2010 and \$10,580 in FY 2011 is for the Policyholder Services Unit for minor software purchase and increase travel for training and educational expenditures. The funding source is state special revenue.

STATE AUDITORS OFFICE-3401

INSURANCE-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$145,151	\$0
FY 2011	\$441,551	\$0

PL- 308 - Insurance - Contract Examinations -

The request is for \$145,151 in FY 2010 and \$441,551 in FY 2011 of state special revenue funding to enable the examination of insurers using contractor services. The cost of the exams done by contract examiners is recovered from the insurers and results in no cost to the state. The statutes require companies be examined every 5 years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,551	\$0
FY 2011	\$40,551	\$0

PL- 309 - Insurance - Captive Promotion -

This request of \$25,551 for FY 2010 and \$40,551 for FY 2011 state special revenue is to annualize the costs associated with promoting captive insurance in Montana. The 2007 Legislature authorized a state special revenue fund called the captive insurance regulatory and supervision account, which may be referred to as the captive account per 33-28-120(1), MCA, effective October 1, 2007. The purpose of the captive account is to reimburse expenses in promoting captive insurance in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,684	\$0
FY 2011	\$8,684	\$0

PL- 310 - Insurance - Licensing Base Adjustment -

This request of \$8,684 each year of the biennium of state special revenue funding is for travel and fees associated with Securities and Insurance Licensing Association (SILA) training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,236	\$0
FY 2011	\$43,733	\$0

PL- 317 - Insurance - Forms Analyst FTE -

The budget includes \$47,236 in FY 2010 and \$43,733 in FY 2011 state special revenue funding for personal services and operating costs for 1.00 FTE to work in the Forms Bureau. The requested 1.00 FTE will work as a forms analyst and will help the bureau meet the statutory requirements of 33-1-501, MCA, which includes a "deemer" provision. This provision states that if after 60 days from the date of receipt (of a filing) by the commissioner's office; the commissioner has not approved or disapproved the form by a notice; the form is considered approved by the insurer.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,244,359	\$0
FY 2011	\$1,244,359	\$0

PL- 318 - Restore Insure MT Funding -

This request of \$1,244,359 state special revenue funding each year of the 2011 biennium restores funding for the Insure Montana Program to levels authorized by the 2007 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$101,441	\$0
FY 2011	\$101,441	\$0

PL- 319 - Restore MCHA Funding -

This request of \$101,441 state special revenue funding each year of the 2011 biennium restores funding for the Montana Comprehensive Health Association to FY 2009 levels authorized by the 2007 legislature. This funding is derived from the state tobacco settlement payment distribution.

STATE AUDITORS OFFICE-3401 INSURANCE-03

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$87,871	\$0
FY 2011	\$84,313	\$0

NP- 313 - Insurance - Legal New FTE - RST -

This request for a restricted appropriation of \$87,871 in FY 2010 and \$84,313 in FY 2011 of state special revenue is for personal services and associated operating costs to hire an additional attorney in the Insurance Division of the State Auditors Office. The Legal Unit currently has an employee that has frequently been on extended USERRA protected military leave as a member of the National Guard. As a result of these extended leave periods, the Legal Unit has had to rely on temporary replacements, which has disrupted the work flow of the agency. The legal work required by this agency requires substantial training and therefore temporary attorney replacements are problematic. Recruiting temporary attorneys is difficult, and the learning curve for this position is substantial.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$85,607	\$0
FY 2011	\$84,282	\$0

NP- 314 - Insurance - Traditional Exams FTE -

This request is for \$85,607 in FY 2010 and \$84,282 in FY 2011 of state special revenue to fund 1.00 FTE and operating costs required to handle additional workload and to decrease reliance on contract examiners. This additional 1.00 FTE will require some period of training, and thereafter will be used to reduce a portion of the expected increase in exam costs. Approximately 50% of this position's salary will be recouped from domestic insurers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,976	\$0
FY 2011	\$56,808	\$0

NP- 315 - Insurance - Policyholder Service Bureau Claims Examiner -

This proposal includes \$60,976 in FY 2010 and \$56,808 in FY 2011 state special revenue funding to support 1.00 FTE and operating costs to complete additional market conduct examinations and new analysis responsibilities. The Policyholder Services Bureau (PHS) is responsible for new projects assigned by the National Association of Insurance Commissioners (NAIC) to further improve and modernize the regulation of insurance. Montana has over 30 captive insurers which have been added in recent years. The captives that are risk retention groups will need to have market conduct examinations in addition to the approximately 30 instate or domiciled insurers who are statutorily required to be examined at least once every four years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,531	\$0
FY 2011	\$1,327	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,531 in FY 2010 and \$1,327 in FY 2011 state special revenue for the Insurance Program's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401 SECURITIES-04

04 Securities
Lynne Egan (acting) x4388

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representatives and multi-level marketing companies. The division also is responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$25 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	483,009	280,101	0	763,110	280,874	0	763,883
Operating Expenses	129,563	104,514	273	234,350	112,106	237	241,906
Transfers	0	0	0	0	0	0	0
Total Costs	\$612,572	\$384,615	\$273	\$997,460	\$392,980	\$237	\$1,005,789
State/Other Special	612,572	384,615	273	997,460	392,980	237	1,005,789
Total Funds	\$612,572	\$384,615	\$273	\$997,460	\$392,980	\$237	\$1,005,789

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,535	\$0
FY 2011	\$22,015	\$0

PL- 401 - Securities Annual Rent Increase -

Included in the budget is \$11,535 in FY 2010 and \$22,015 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,204	\$0
FY 2011	\$37,204	\$0

PL- 402 - Securities - Exams Base Adjustments - BIEN -

This biennial request of \$74,408 state special revenue is to annualize the reimbursable costs associated with the Securities Division's responsibility for the oversight of roughly 1,400 broker/dealer firms, 750 investment advisory firms, and 75,000 securities salespersons and investment adviser representatives. The division processes applications from these entities and individuals and collects in excess of \$4,400,000 in filing fees annually.

**STATE AUDITORS OFFICE-3401
SECURITIES-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,704	\$0
FY 2011	\$49,304	\$0

PL- 403 - Securities - Base Adjustment -

This request of \$47,704 in FY 2010 and \$49,304 in FY 2011 of state special revenue is to increase the budget for the costs associated with the estimated number of contract hearings officers and North American Securities Administrator's Association (NASAA) reimbursable related travel. The Securities Division uses contract services for the cost associated with hearings officers in contested securities cases.

-----New Proposals-----

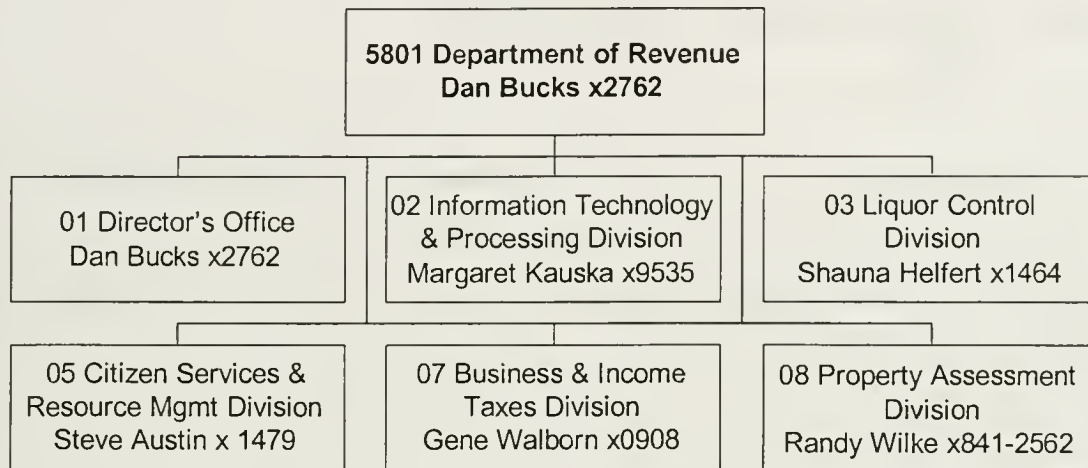
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$273	\$0
FY 2011	\$237	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$273 in FY 2010 and \$237 in FY 2011 state special revenue for the Securities Program allocation of the fixed cost.

DEPARTMENT OF REVENUE-5801

Please note that this agency also contains proprietary funding (see Section P).



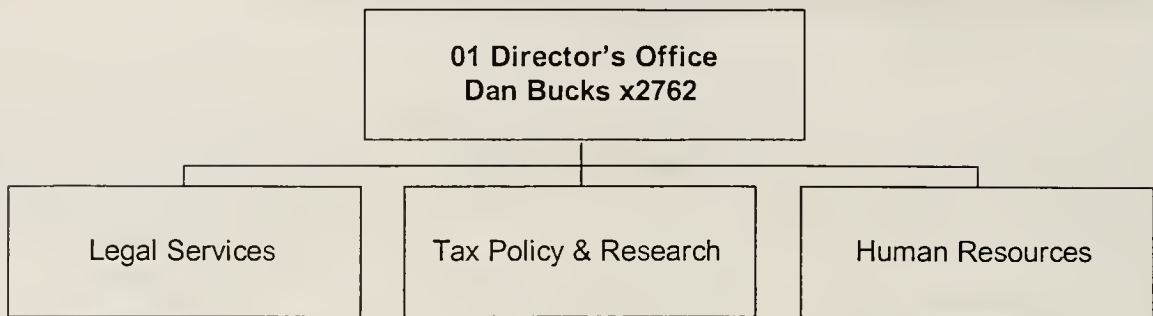
Mission Statement - The Department of Revenue implements Montana's tax laws to achieve equity and integrity, while protecting taxpayer rights and information; values all property as accurately as possible and supervises Montana's property tax system; administers liquor laws to protect public health and safety; informs and advises the Governor, the legislature and the public on tax trends and issues; and cooperates with local, state, tribal and federal governments to advance the public interest under the law.

Statutory Authority - Titles 2, 15, 16, 39, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	645.53	0.00	15.00	660.53	2.00	15.00	662.53
Personal Services	31,541,481	3,797,076	663,938	36,002,495	4,037,138	664,323	36,242,942
Operating Expenses	18,434,552	1,399,884	9,431	19,843,867	1,286,282	(149,521)	19,571,313
Equipment & Intangible Assets	220,095	0	0	220,095	0	0	220,095
Total Costs	\$50,196,128	\$5,196,960	\$673,369	\$56,066,457	\$5,323,420	\$514,802	\$56,034,350
General Fund	46,999,289	4,877,585	494,538	52,371,412	4,996,579	335,941	52,331,809
State/Other Special	823,595	(1,949)	177,814	999,460	(1,666)	177,979	999,908
Federal Special	194,192	15,008	95	209,295	14,191	83	208,466
Proprietary	2,179,052	306,316	922	2,486,290	314,316	799	2,494,167
Total Funds	\$50,196,128	\$5,196,960	\$673,369	\$56,066,457	\$5,323,420	\$514,802	\$56,034,350

DEPARTMENT OF REVENUE-5801

DIRECTORS OFFICE-01



Program Description - The Director's Office is composed of four primary sections: 1) Executive Office - Responsible for the general guidance and management of the agency. This office assists the director with administrative functions and communication to the public, other agencies and elected officials, and includes the Office of Taxpayer Assistance; 2) Legal Services is responsible for the overall legal efforts of the department, which include: legal representation before various courts; legislation development and review; filing bankruptcy claims; and developing policy and administrative rules. Legal Services oversees the Office of Disclosure and Taxpayer Assistance, which handles taxpayer inquiries from other taxing jurisdictions and state agencies and also coordinates security issues for the department. The Legal Services office also oversees the Office of Dispute Resolution, which reviews, facilitates, and resolves taxpayer disputes internally through a variety of means, including hearings and mediation; 3) Tax Policy and Research is responsible for the compilation of basic tax data and its publication in the Biennial Report and other documents; for the conduct of tax economic and compliance studies; for the preparation of legislative fiscal notes that affect revenue, and the analysis of legislative proposals affecting the department, and department economic and compliance data analysis; and 4) Human Resources and Organizational Development is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	48.98	0.00	0.00	48.98	0.00	0.00	48.98
Personal Services	3,201,839	459,326	0	3,661,165	524,614	0	3,726,453
Operating Expenses	2,279,318	152,286	1,557	2,433,161	(61,269)	1,350	2,219,399
Total Costs	\$5,481,157	\$611,612	\$1,557	\$6,094,326	\$463,345	\$1,350	\$5,945,852
General Fund	5,310,557	581,559	1,525	5,893,641	434,056	1,322	5,745,935
State/Other Special	84,281	24,795	32	109,108	24,876	28	109,185
Federal Special	600	400	0	1,000	(600)	0	0
Proprietary	85,719	4,858	0	90,577	5,013	0	90,732
Total Funds	\$5,481,157	\$611,612	\$1,557	\$6,094,326	\$463,345	\$1,350	\$5,945,852

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,000	\$6,000
FY 2011	\$61,587	\$61,587

PL- 10001 - Present Law Base Adjustment - Director's Office -

The Department of Revenue, Director's Office requests \$67,587 in general fund in the 2011 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office and minor increases to operating expenses.

DEPARTMENT OF REVENUE-5801
DIRECTORS OFFICE-01

-----New Proposals-----

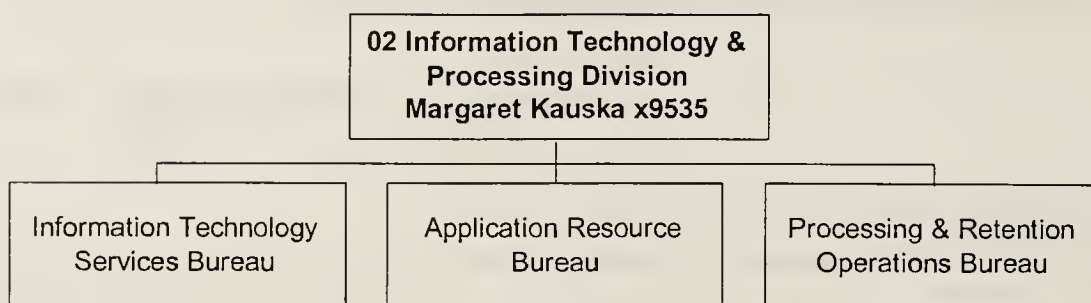
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,557	\$1,525
FY 2011	\$1,350	\$1,322

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,557 in FY 2010 and \$1,350 in FY 2011 general fund and other funds for the Director's Office allocation of the fixed cost.

DEPARTMENT OF REVENUE-5801

INFORMATION TECHNOLOGY & PROCESSING-02



Program Description - The Information Technology and Processing Division provides technology support for the department and processes all tax returns, payments and other documents received, whether in paper or electronic form. This work includes application development and support services; network services including data, desktop, information security and help desk support; and tax return and payment processing including electronic data and payer development and processing, taxpayer account maintenance, cashiering, mailroom, and records management services that enable the department to meet its business objectives. These services are provided by three bureaus: Information Technology Application Resources; Information Technology Services; and Processing and Retention Operations.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	87.25	0.00	0.00	87.25	0.00	0.00	87.25
Personal Services	3,622,302	806,090	0	4,428,392	816,972	0	4,439,274
Operating Expenses	8,325,544	418,280	2,773	8,746,597	434,129	2,404	8,762,077
Equipment & Intangible Assets	181,250	0	0	181,250	0	0	181,250
Total Costs	\$12,129,096	\$1,224,370	\$2,773	\$13,356,239	\$1,251,101	\$2,404	\$13,382,601
General Fund	11,897,699	1,246,874	2,773	13,147,346	1,273,470	2,404	13,173,573
State/Other Special	161,522	(29,123)	0	132,399	(29,123)	0	132,399
Proprietary	69,875	6,619	0	76,494	6,754	0	76,629
Total Funds	\$12,129,096	\$1,224,370	\$2,773	\$13,356,239	\$1,251,101	\$2,404	\$13,382,601

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$146,510	\$146,510
FY 2011	\$149,806	\$149,806

PL- 20001 - Present Law Base Adjustment - Info Tech & Proc -

The Department of Revenue, Information Technology and Processing Division requests \$296,316 in general fund in the 2011 biennium to cover increased costs to allow the division to provide better service to taxpayers; protect the security and confidentiality of taxpayer information; and replace obsolete, unsafe vehicles with safe fuel efficient models. Minor increases in costs are expected in the following areas: post office box rental, annual maintenance agreements, and payment processing fees. In addition, the division requests to replace two old, unreliable vehicles with two lease vehicles. The department is also working in conjunction with the Department of Administration, Information Technology Services Division to set up a segregated environment in their data center to improve security of the department's Federal Tax Information and other state tax data per Internal Revenue Service guidelines.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**

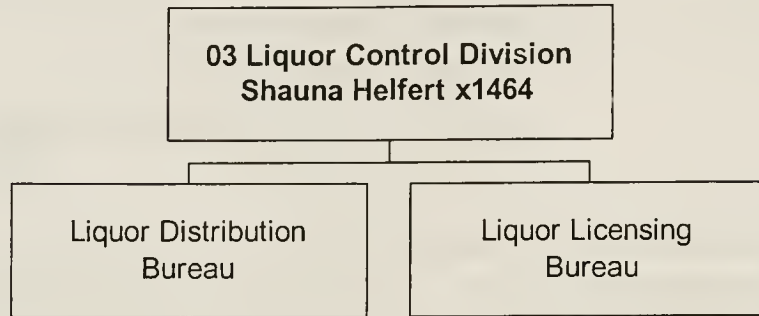
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,773	\$2,773
FY 2011	\$2,404	\$2,404

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 Biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,773 in FY 2010 and \$2,404 in FY 2011 general fund for the Information Technology and Processing Division's allocation of the fixed cost.

**DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03**



Program Description - The Liquor Control Division provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety. This is accomplished by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages. The division consists of the Liquor Distribution Bureau, which efficiently maintains a regulated channel of distribution to fulfill the public demand for distilled spirits and fortified wine through agency liquor stores; and the Liquor Licensing Bureau, which protects the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	29.00	0.00	0.00	29.00	0.00	0.00	29.00
Personal Services	1,377,931	292,853	0	1,670,784	299,106	0	1,677,037
Operating Expenses	569,163	(3,236)	922	566,849	(1,749)	799	568,213
Equipment & Intangible Assets	30,125	0	0	30,125	0	0	30,125
Total Costs	\$1,977,219	\$289,617	\$922	\$2,267,758	\$297,357	\$799	\$2,275,375
Proprietary	1,977,219	289,617	922	2,267,758	297,357	799	2,275,375
Total Funds	\$1,977,219	\$289,617	\$922	\$2,267,758	\$297,357	\$799	\$2,275,375

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$922	\$0
FY 2011	\$799	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$922 in FY 2010 and \$799 in FY 2011 proprietary funds for the Liquor Control Division's allocation of the fixed cost.

DEPARTMENT OF REVENUE-5801

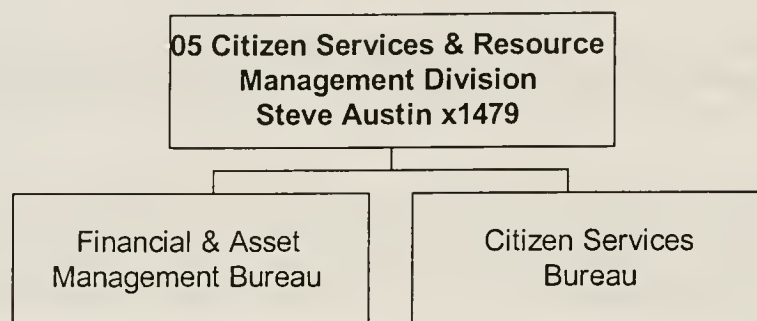
LIQUOR CONTROL DIVISION-03

Language Recommendations – “Liquor control division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund to the department in the amounts not to exceed \$129,000,000 in fiscal year 2010 and \$141,000,000 in fiscal year 2011.”

“In the event that the department is unable to meet statutory service levels because of the increase in demand for liquor products, the department may hire additional temporary employees or pay overtime, whichever is determined to be the most cost-effective, to maintain required service levels to agency liquor stores. In fiscal year 2010 and fiscal year 2011, the department is appropriated not more than \$50,000 each year for additional cost from the liquor enterprise fund to meet the service level requirements.”

“In the liquor control division, upon a termination that requires a payout of accrued leave balances, liquor control division proprietary funds are appropriated from the liquor enterprise fund to the department in the amount equal to the payout of the accrued leave balances, not to exceed \$40,000 for each of the fiscal years 2010 and 2011.”

**DEPARTMENT OF REVENUE-5801
CITIZEN SERVICES & RESOURCE MGMT-05**



Program Description - The Citizen Services and Resource Management Division integrates the accounting, purchasing, safety and security, and statewide facility functions through the Financial and Asset Management Bureau. The division's Citizen Services Bureau administers the call center, designs forms, coordinates one-stop business licensing, and returns to citizens unclaimed property that they own. The division focuses on the services provided to citizens, including the advancement of free electronic filing and providing support services to the other department divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	28.00	0.00	0.00	28.00	0.00	0.00	28.00
Personal Services	1,304,724	212,425	0	1,517,149	216,616	0	1,521,340
Operating Expenses	708,819	14,997	890	724,706	13,830	772	723,421
Total Costs	\$2,013,543	\$227,422	\$890	\$2,241,855	\$230,446	\$772	\$2,244,761
General Fund	1,859,004	180,265	890	2,040,159	183,247	772	2,043,023
State/Other Special	108,300	41,935	0	150,235	42,007	0	150,307
Proprietary	46,239	5,222	0	51,461	5,192	0	51,431
Total Funds	\$2,013,543	\$227,422	\$890	\$2,241,855	\$230,446	\$772	\$2,244,761

-----New Proposals-----

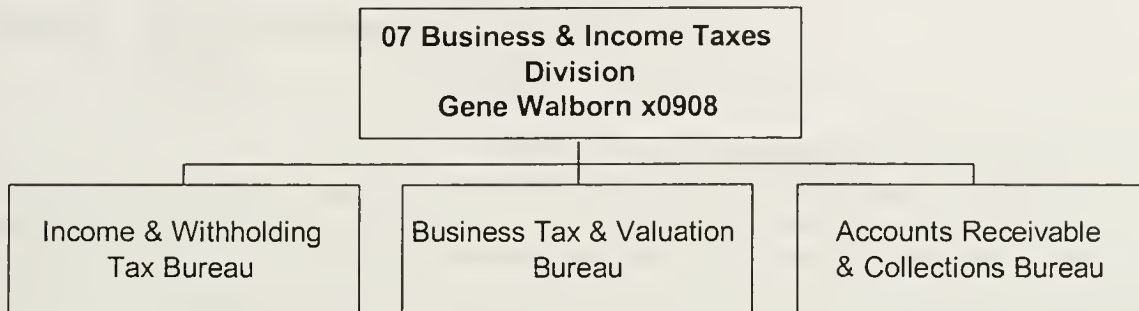
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$890	\$890
FY 2011	\$772	\$772

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$890 in FY 2010 and \$772 in FY 2011 general fund for the Citizen's Services and Resource Management Division's allocation of the fixed cost.

DEPARTMENT OF REVENUE-5801 BUSINESS AND INCOME TAXES DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business and Income Taxes Division is responsible for the administration and collection of a total of 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division also values all industrial and centrally assessed property in the state. Some of the duties associated with administration include: tax type expertise, taxpayer education, auditing, identification of non-filers, delinquent account collection, and overall tax compliance. The Accounts Receivable and Collections Bureau, the Business Tax and Valuation Bureau, and the Income and Withholding Tax Bureau handle these functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	145.95	0.00	15.00	160.95	0.00	15.00	160.95
Personal Services	7,522,645	778,663	663,938	8,965,246	804,293	664,323	8,991,261
Operating Expenses	2,179,437	241,785	(481,518)	1,939,704	243,356	(482,350)	1,940,443
Total Costs	\$9,702,082	\$1,020,448	\$182,420	\$10,904,950	\$1,047,649	\$181,973	\$10,931,704
General Fund	9,103,747	1,045,142	4,543	10,153,432	1,072,005	3,939	10,179,691
State/Other Special	404,743	(39,302)	177,782	543,223	(39,147)	177,951	543,547
Federal Special	193,592	14,608	95	208,295	14,791	83	208,466
Total Funds	\$9,702,082	\$1,020,448	\$182,420	\$10,904,950	\$1,047,649	\$181,973	\$10,931,704

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$57,641	\$57,641
FY 2011	\$57,748	\$57,748

PL- 70007 - Debt Collection - Child Support Cases -

When the bad debt collection unit collects child support payments, it does not charge a collection fee to the parent like it would when collecting other types of debt. The general fund has historically paid these costs. Because some of these costs were recorded as personal services expenses in the base year, and personal services are zero based, the funding was not carried forward in the 2011 biennium budget. This request restores the funding in the operating expenses category to more appropriately reflect the expenditures. The amount restored is approximately \$57,000 general fund each year of the biennium.

**DEPARTMENT OF REVENUE-5801
BUSINESS AND INCOME TAXES DIVISION-07**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,638	\$4,543
FY 2011	\$4,022	\$3,939

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$4,638 in FY 2010 and \$4,022 in FY 2011 general fund and other funds for the Business and Income Tax Division's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 70002 - Nonresident and Non-filer Tax Compliance -

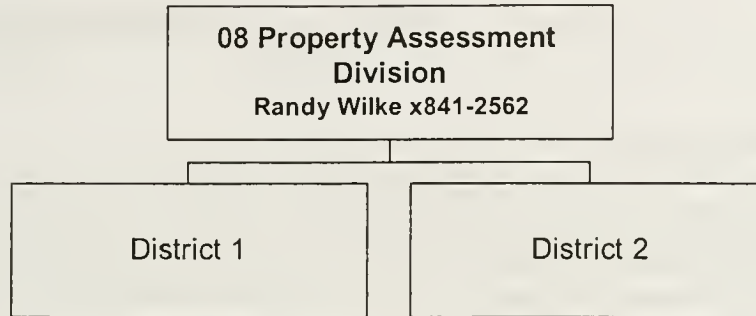
The Department of Revenue, Business and Income Taxes Division requests 12.00 FTE in the 2011 biennium to continue the department's efforts to keep taxes fair and low for Montanans by asking nonresidents and non-filers to pay the taxes they owe Montana. Through improved compliance, the requested staff will generate an estimated \$8 million during the 2011 biennium. This estimate is based on a return of \$8 for every \$1 spent on compliance. This request is for FTE only; no funding is requested. These FTE are needed to address identified compliance issues in such areas as: 1) pass-through entities' partners and shareholders that have not filed or have underreported income; 2) nonresidents selling property in Montana who have not filed or paid the appropriate tax associated with the capital gain from the sale of Montana property; and 3) non-filers or underreported income that have been identified through the cross-matching of department data with various external data sources (e.g., information from the IRS, other state agencies, and information reports such as Federal 1099s). Other compliance issues will also be addressed as they arise.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$177,782	\$0
FY 2011	\$177,951	\$0

NP- 70003 - Reduce Smoking through Tobacco Tax Compliance -

The Department of Revenue, Business and Income Taxes Division requests \$355,733 in state special revenue authority and 3.00 FTE in the 2011 biennium to continue the Tobacco Tax Compliance Program. In the 2009 biennium, the legislature approved spending authority with no FTE for this program. The department used 3.00 modified FTE to continue the program; however funds spent on modified FTE are removed from a department's base budget and therefore must be requested again. No operating expenses are needed because these expenditures are included in the department's base budget. Approval of 3.00 FTE and personal services spending authority will provide stability and continuity to this important program.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**



Program Description - The Property Assessment Division values all residential, commercial, agricultural, forestland and business equipment property in Montana and supports the department's supervision of the property tax system. Staff located throughout the state in six geographically distinct regions, and a management analyst/administrative support bureau in Helena, perform the functions of this division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	306.35	0.00	0.00	306.35	2.00	0.00	308.35
Personal Services	14,512,040	1,247,719	0	15,759,759	1,375,537	0	15,887,577
Operating Expenses	4,372,271	575,772	484,807	5,432,850	657,985	327,504	5,357,760
Equipment & Intangible Assets	8,720	0	0	8,720	0	0	8,720
Total Costs	\$18,893,031	\$1,823,491	\$484,807	\$21,201,329	\$2,033,522	\$327,504	\$21,254,057
General Fund	18,828,282	1,823,745	484,807	21,136,834	2,033,801	327,504	21,189,587
State/Other Special	64,749	(254)	0	64,495	(279)	0	64,470
Total Funds	\$18,893,031	\$1,823,491	\$484,807	\$21,201,329	\$2,033,522	\$327,504	\$21,254,057

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$115,667	\$115,667
FY 2011	\$142,290	\$142,290

PL- 80001 - Present Law Base Adjustment - Property Assessment -

The Department of Revenue, Property Assessment Division requests \$257,957 in general fund for the 2011 biennium to pay for rent increases for existing lease obligations. The division employees over 300 employees and maintains offices in all 56 Montana counties. This proposal pays rent for space the property assessment division currently occupies for its staff throughout the state.

DEPARTMENT OF REVENUE-5801

PROPERTY ASSESSMENT DIVISION-08

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$122,282	\$122,282
FY 2011	\$256,559	\$256,559

PL- 80002 - Improving Property Appraisal Accuracy -

The Department of Revenue, Property Assessment Division requests \$378,841 in general fund and 2.00 FTE for the 2011 biennium to begin to address the growth of property parcels in Montana that exceeds the number of appraisers available to value that property fairly and accurately. The request also provides funding to implement a self-reporting system to improve the accuracy of the data collected by the division by requesting property owners to self-report on their property. The request is designed to provide better, more efficient service to the citizens of Montana.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,807	\$9,807
FY 2011	\$8,504	\$8,504

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$9,807 in FY 2010 and \$8,504 in FY 2011 general fund for the Property Assessment Division's allocation of the fixed cost.

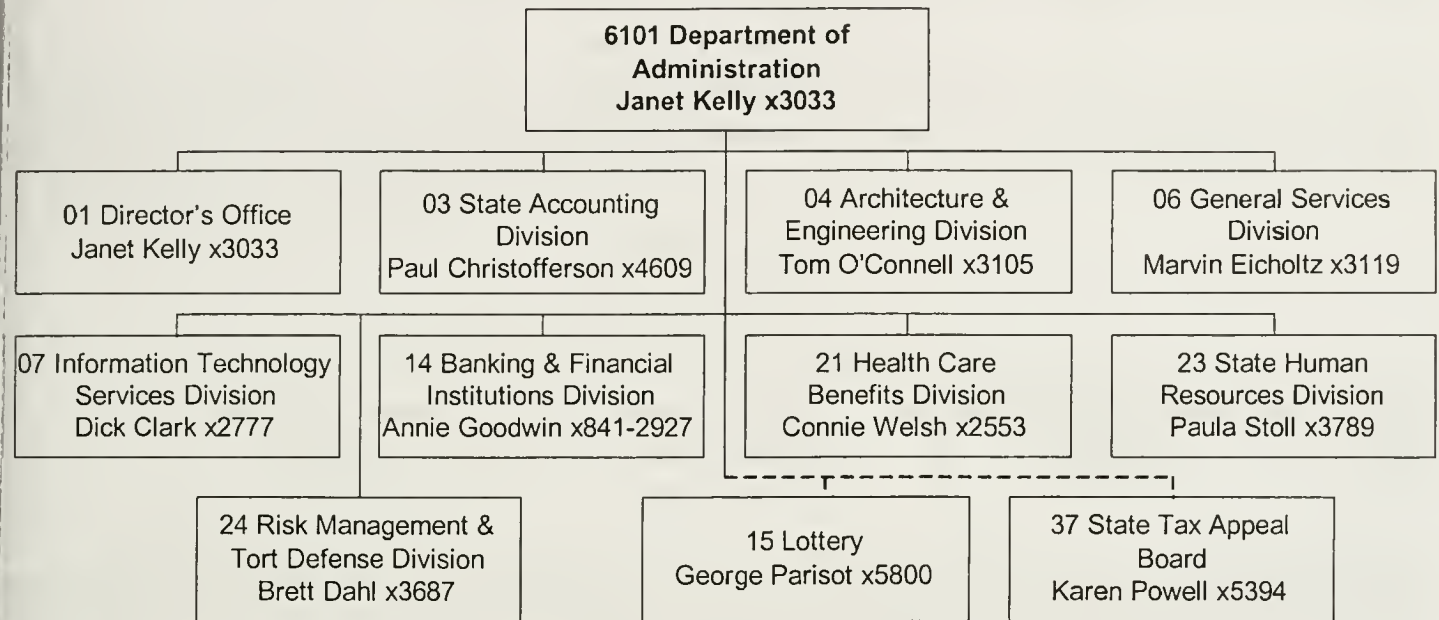
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$475,000	\$475,000
FY 2011	\$319,000	\$319,000

NP- 80008 - Improve Efficiency through Field Computers -OTO -

The Department of Revenue, Property Assessment Division, requests \$794,000 in one-time-only general fund for the 2011 biennium to help provide an increase in appraisal efficiency that is required for it to meet its constitutional charge to fairly and equally value property. This request will provide hand held laptop computers (plus the necessary software enhancement) to division staff members for field use. The exponential growth in the work of the Property Assessment Division over the past many years coupled with a net reduction in staff over that same time period means the division has to find ways to become more efficient. Eliminating as much duplication of effort is an essential ingredient to increased efficiency. The current process for performing field work functions such as capturing new construction, updating building characteristics, discussing property values with property owners, resolving AB-26 and appeal issues, etc. is cumbersome. Each event involves many pieces of paper and the involvement of multiple staff. This proposal contemplates the use of a pen-based/hand held/laptop computer system to help staff capture and maintain property information while in the field.

DEPARTMENT OF ADMINISTRATION-6101

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Department of Administration's mission is to serve and satisfy our customers.

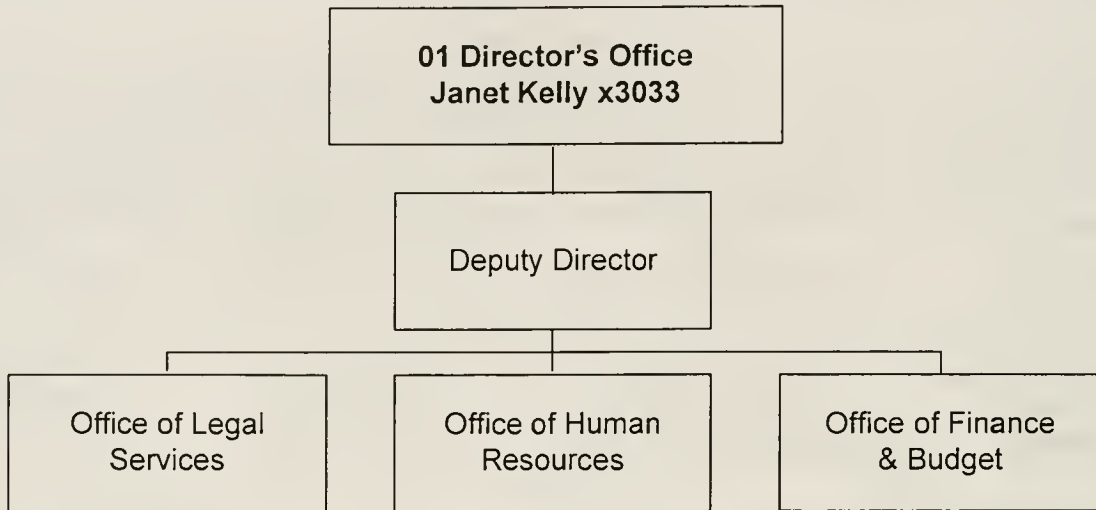
Statutory Authority - Title 2, Chapters 7, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 23, Chapter 7, Title 47, Chapter 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	154.62	0.00	3.50	158.12	0.00	4.00	158.62
Personal Services	8,709,460	1,407,933	62,681	10,180,074	1,541,038	75,173	10,325,671
Operating Expenses	10,010,416	638,749	2,270,761	12,919,926	483,473	25,136	10,519,025
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Local Assistance	22,633	15,000	6,400	44,033	15,000	3,000	40,633
Grants	608,576	0	0	608,576	0	0	608,576
Transfers	0	0	200,000	200,000	0	200,000	200,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$19,425,212	\$2,061,682	\$2,539,842	\$24,026,736	\$2,039,511	\$303,309	\$21,768,032
General Fund	6,341,405	801,003	2,260,649	9,403,057	784,398	24,799	7,150,602
State/Other Special	5,545,483	1,048,129	278,213	6,871,825	1,139,398	277,662	6,962,543
Federal Special	296,871	15,000	0	311,871	15,000	0	311,871
Capital Projects	0	0	0	0	0	0	0
Proprietary	7,241,453	197,550	980	7,439,983	100,715	848	7,343,016
Total Funds	\$19,425,212	\$2,061,682	\$2,539,842	\$24,026,736	\$2,039,511	\$303,309	\$21,768,032

DEPARTMENT OF ADMINISTRATION-6101

DIRECTOR'S OFFICE-01

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office is responsible for overall supervision and coordination of agency programs and administratively attached boards and agencies. The Office of Legal Services provides legal services to agency and administratively attached programs. The Office of Finance and Budget provides financial, budgeting, and accounting functions for the department. The Office of Human Resources provides personnel and payroll functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.17	0.00	0.00	1.17	0.00	0.00	1.17
Personal Services	52,249	7,609	0	59,858	7,623	0	59,872
Operating Expenses	40,086	46,792	2,500	89,378	(10,409)	2,500	32,177
Local Assistance	22,133	15,000	0	37,133	15,000	0	37,133
Total Costs	\$114,468	\$69,401	\$2,500	\$186,369	\$12,214	\$2,500	\$129,182
General Fund	90,748	54,401	2,500	147,649	(2,786)	2,500	90,462
State/Other Special	1,587	0	0	1,587	0	0	1,587
Federal Special	22,133	15,000	0	37,133	15,000	0	37,133
Total Funds	\$114,468	\$69,401	\$2,500	\$186,369	\$12,214	\$2,500	\$129,182

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,500	\$6,500
FY 2011	\$6,500	\$6,500

PL- 103 - Burial Board -

This request is for \$13,000 general fund for the biennium to cover anticipated costs of meetings for the Burial Preservation Board which is administratively attached to the Department of Administration.

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,000	\$0
FY 2011	\$15,000	\$0

PL- 105 - Flood Control -

The department requests additional \$15,000 federal special revenue authority each year of the biennium to be able to fully distribute flood control funds in the 2011 biennium. The state receives flood control funds from the United States Treasury each year. The entire amount received is required to be distributed to the counties according to the schedule provided when the funds are received.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,500	\$2,500
FY 2011	\$2,500	\$2,500

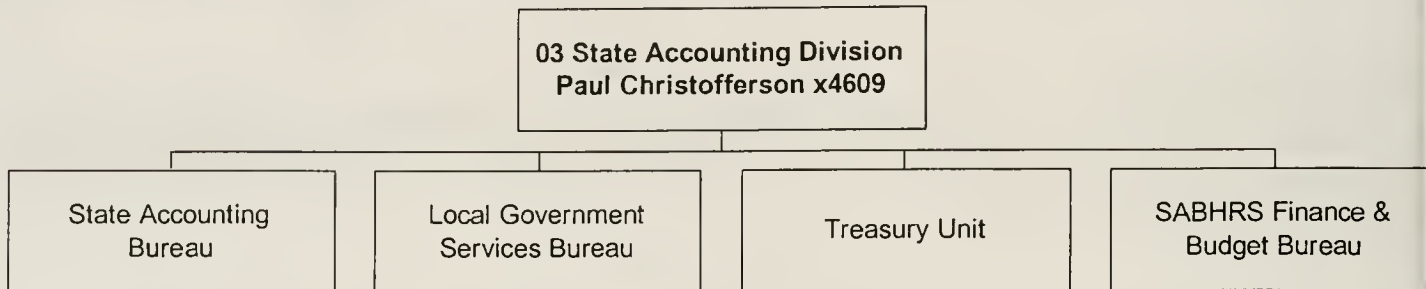
NP- 104 - Board of County Printing -

The Board of County Printing has no base costs. This board is required to meet annually under current administrative rules. The five members are entitled to travel expenses. Non-county employee board members receive \$50 per day for their service on the board. The cost for annual meetings is \$2,500 or \$5,000 for the biennium.

DEPARTMENT OF ADMINISTRATION-6101

STATE ACCOUNTING DIVISION-03

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Accounting Division consists of several programs/activities funded from the general, federal special, and proprietary funds.

The Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, prepares and negotiates the Statewide Cost Allocation Plan (SWCAP), and prepares the state Comprehensive Annual Financial Report (CAFR). Additionally, the bureau provides accounting assistance and training to state agencies. The warrant writer activity (internal service funded) which is part of the Accounting Bureau, is discussed in the proprietary fund section below.

Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel. The bureau maintains and publishes the local government Budgetary, Accounting and Reporting System (BARS) chart of accounts and the county collection and accounting manuals. The bureau provides local government financial information to the public, legislature, federal government and other public entities. The audit review function (Enterprise funded) is discussed in the proprietary fund section below.

The Treasury Unit provides the central banking function for state agencies, reconciles the state bank accounts (approximately 60 banks), and insures the collateralization of these bank accounts is maintained at the proper level.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.67	0.00	0.00	18.67	0.00	0.00	18.67
Personal Services	1,049,614	65,720	0	1,115,334	69,031	0	1,118,645
Operating Expenses	239,981	35,237	200,581	475,799	35,535	503	276,019
Total Costs	\$1,289,595	\$100,957	\$200,581	\$1,591,133	\$104,566	\$503	\$1,394,664
General Fund	1,228,375	100,957	200,581	1,529,913	104,566	503	1,333,444
Federal Special	11,606	0	0	11,606	0	0	11,606
Proprietary	49,614	0	0	49,614	0	0	49,614
Total Funds	\$1,289,595	\$100,957	\$200,581	\$1,591,133	\$104,566	\$503	\$1,394,664

DEPARTMENT OF ADMINISTRATION-6101 STATE ACCOUNTING DIVISION-03

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,898	\$3,898
FY 2011	\$4,321	\$4,321

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$0	\$0

NP- 304 - CAFR Software -OTO -

The budget includes funding to lease and implement Comprehensive Annual Financial Report (CAFR) preparation software. The request is for \$200,000 one-time-only general fund in the 2011 biennium. The CAFR preparation currently relies on a combination mainframe (Cobol) and Microsoft Access process. Information from Statewide Accounting Budgeting and Human Resource System (SABHRS) is downloaded into the mainframe and Access databases. The final financial statement information is downloaded into Lotus spreadsheets. The current process requires the hiring of outside Cobol programmers for changes to the mainframe process. These programmers are becoming scarce. The Access processes are maintained on a single desktop. The new software will eliminate the need for the mainframe and Lotus schedules and will allow for a simplified load of information from SABHRS. This software will be maintained by the SABHRS support staff in addition to an internal programmer. This will provide for more depth in the CAFR process and less risk for the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$581	\$581
FY 2011	\$503	\$503

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2009 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$581 in FY 2010 and \$503 in FY 2011 general fund for the State Accounting Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 ARCHITECTURE & ENGINEERING PGM-04

**04 Architecture & Engineering
Division**
Tom O'Connell x3105

Design/Construction
Bureau

Program Description - The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,014,799	251,747	0	1,266,546	255,487	0	1,270,286
Operating Expenses	665,155	53,659	529	719,343	58,840	458	724,453
Total Costs	\$1,679,954	\$305,406	\$529	\$1,985,889	\$314,327	\$458	\$1,994,739
State/Other Special	1,679,954	305,406	529	1,985,889	314,327	458	1,994,739
Total Funds	\$1,679,954	\$305,406	\$529	\$1,985,889	\$314,327	\$458	\$1,994,739

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$3,550)	\$0
FY 2011	(\$3,033)	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

DEPARTMENT OF ADMINISTRATION-6101
ARCHITECTURE & ENGINEERING PGM-04

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$529	\$0
FY 2011	\$458	\$0

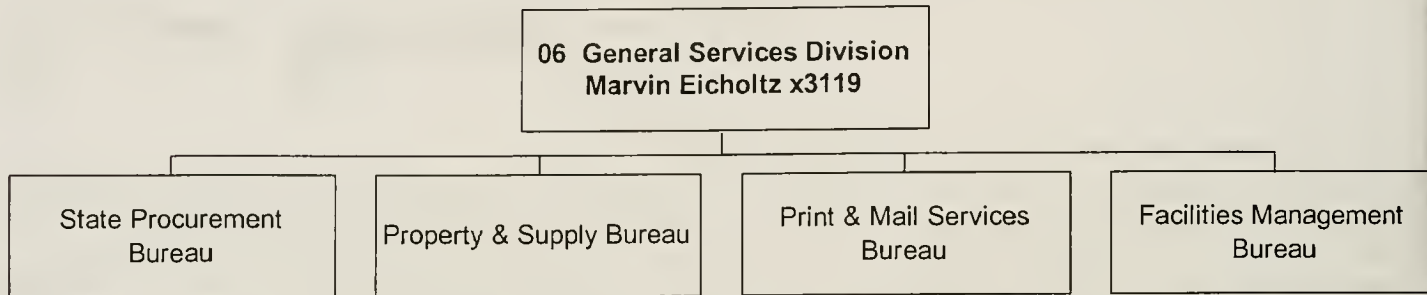
NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$529 in FY 2010 and \$458 in FY 2011 state special revenue funds for the Architecture and Engineering Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101

GENERAL SERVICES PROGRAM-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The General Services Division is composed of four bureaus responsible for providing internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's energy procurement, vehicle fueling, and procurement card programs.

The Print and Mail Services Bureau provides print and mail services to state agencies. Services include internal and external (contracted) printing, photocopy pool services, mail preparation, central mail operations, and inter-agency (deadhead) mail. The bureau also operates the United States post office in the Capitol Building and provides three quick copy locations on the Capitol Complex.

The Property and Supply Bureau manages the Central Stores program and the state and federal Surplus Property programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	11.25	0.00	0.00	11.25	0.00	0.00	11.25
Personal Services	597,183	56,195	0	653,378	58,896	0	656,079
Operating Expenses	1,895,135	172,972	350	2,068,457	201,956	303	2,097,394
Transfers	0	0	200,000	200,000	0	200,000	200,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$2,524,368	\$229,167	\$200,350	\$2,953,885	\$260,852	\$200,303	\$2,985,523
General Fund	2,471,442	227,357	200,328	2,899,127	259,108	200,284	2,930,834
State/Other Special	52,926	1,810	22	54,758	1,744	19	54,689
Total Funds	\$2,524,368	\$229,167	\$200,350	\$2,953,885	\$260,852	\$200,303	\$2,985,523

DEPARTMENT OF ADMINISTRATION-6101 GENERAL SERVICES PROGRAM-06

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,836	\$3,508
FY 2011	\$5,115	\$3,766

PL- 106 - Allocate Department Indirect/Admin Costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP- 617 - Provide Support to the Surplus Property Program -

The budget includes \$200,000 per year in ongoing general fund support to the state Surplus Property Program. The transfer will allow for the continued operation of the surplus program which allows the state to appropriately dispose of property that is past its useful life. The program will now be funded by a combination of general fund and fees charged to agencies who are disposing of property.

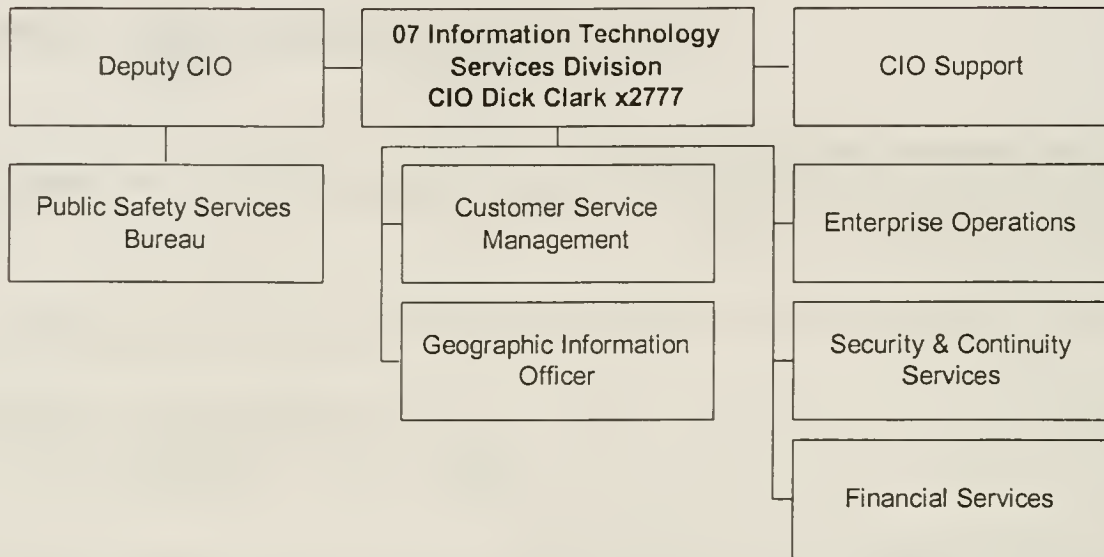
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$350	\$328
FY 2011	\$303	\$284

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$350 in FY 2010 and \$303 in FY 2011 general and state special funds for the General Services Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 INFORMATION TECH SERV DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Information Technology Services Division (ITSD) is a proprietary program that manages central computing and telecommunications services for state government. ITSD provides central mainframe and mid-tier computer services, and manages the statewide data network SummitNet, used by all agencies located throughout the state. ITSD provides local and long distance telephone network services, used by all agencies, including the university system, and manages the state's video network. ITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. ITSD also manages the Continuity of Operations (COOP), Security, Architecture and IT PM Enterprise Offices.

The division coordinates Geographic Information Systems (GIS) development, and manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special, federal special and general funds.

Through the office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology (IT) for the state, and reviews and approves IT acquisitions. The division also provides statewide IT training, and establishes hardware, software, and consulting services contracts used by agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	606,966	85,982	0	692,948	87,499	0	694,465
Operating Expenses	613,832	28,046	2,000,390	2,642,268	25,784	338	639,954
Equipment & Intangible Assets	0	0	0	0	0	0	0
Grants	608,576	0	0	608,576	0	0	608,576
Total Costs	\$1,829,374	\$114,028	\$2,000,390	\$3,943,792	\$113,283	\$338	\$1,942,995
General Fund	734,366	83,874	1,723,910	2,542,150	83,707	(275,797)	542,276
State/Other Special	831,876	30,154	276,480	1,138,510	29,576	276,135	1,137,587
Federal Special	263,132	0	0	263,132	0	0	263,132
Total Funds	\$1,829,374	\$114,028	\$2,000,390	\$3,943,792	\$113,283	\$338	\$1,942,995

**DEPARTMENT OF ADMINISTRATION-6101
INFORMATION TECH SERV DIVISION-07**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,126	(\$904)
FY 2011	\$12,060	(\$599)

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$390	\$150
FY 2011	\$338	\$130

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$390 in FY 2010 and \$338 in FY 2011 general and state special funds for the ITSD's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,000,000	\$2,000,000
FY 2011	\$0	\$0

NP- 6109 - High Performance Computing Operations - BIEN/OTO -

The 2007 legislative session approved an economic development proposal for Butte through the establishment of a high performance computer center. The proposed request is for operating funds for the start-up of the facility. It includes funding for a lease in the Thorton Building and operating costs to run the high performance computer.

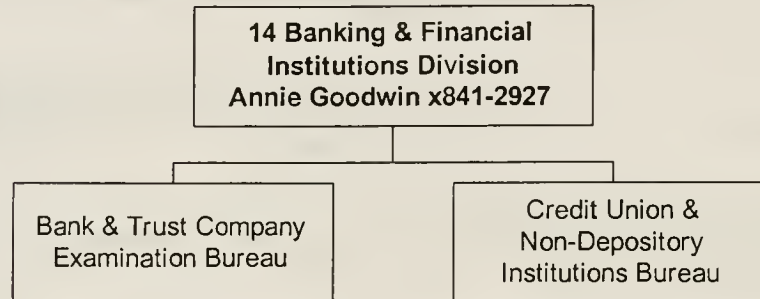
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$276,240)
FY 2011	\$0	(\$275,927)

NP- 6102 - Move 911 Funds from General Fund to SSR -

The budget includes a funding switch of approximately \$276,000 each year from the general fund to a state special revenue fund. Proposed agency legislation will divert funds currently deposited in the general fund to a state special revenue fund for the administration of the 9-1-1 program. This decision package removes base costs from the general fund. Any remaining funds at the end of a fiscal year in the special revenue fund will be divided equally between four 9-1-1 accounts, and distributed to the local 9-1-1 jurisdictions. The proposal is contingent on passage and approval of LC 250.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING AND FINANCIAL DIVISION-14**



Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions operating in and outside of Montana. Those institutions include 64 banks and trust companies, including 209 branch banks; 11 credit unions; 218 consumer finance companies; 163 sales finance companies; 127 deferred deposit lenders; 31 title loan companies; and 8 escrow companies. The division also licenses and examines 251 mortgage brokers and 185 loan originators. Commencing October 1, 2008, the division is responsible for the licensing and supervision of mortgage lenders. All program functions are statutorily mandated in Title 32, Chapters 1-11 and Title 31, Chapter 1, parts 7 & 8, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00
Personal Services	2,246,830	599,083	0	2,845,913	711,621	0	2,958,451
Operating Expenses	689,194	106,391	1,182	796,767	74,979	1,050	765,223
Total Costs	\$2,936,024	\$705,474	\$1,182	\$3,642,680	\$786,600	\$1,050	\$3,723,674
State/Other Special	2,936,024	705,474	1,182	3,642,680	786,600	1,050	3,723,674
Total Funds	\$2,936,024	\$705,474	\$1,182	\$3,642,680	\$786,600	\$1,050	\$3,723,674

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$24,947	\$0
FY 2011	\$26,614	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING AND FINANCIAL DIVISION-14**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$104,175	\$0
FY 2011	\$208,350	\$0

PL- 1401 - Banking Professional Career Ladder Program -

This request is to continue funding the division's professional career ladder program. The Division is requesting \$312,525 for the 2011 biennium to fund the professional career ladder program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,300	\$0
FY 2011	\$6,000	\$0

PL- 1402 - Banking Replacement of Desktop & Laptop Computers -

The division is requesting \$42,300 for the 2011 biennium to replace desktop computers and laptops. This includes replacing 16 laptops and 7 desktops in FY 2010 and 2 laptops and 2 desktops in FY 2011.

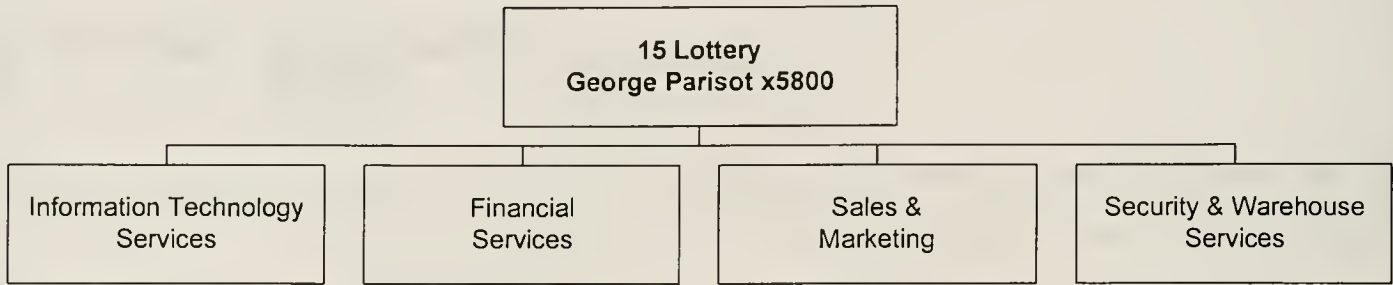
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,182	\$0
FY 2011	\$1,050	\$0

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2009 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,182 in FY 2010 and \$1,050 in FY 2011 state special revenue fund for the Banking Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 MONTANA STATE LOTTERY-15



Program Description - The Montana Lottery designs and markets lottery games that allow players to purchase chances to win prizes. The Lottery offers a variety of instant/scratch and lotto-style games, some in cooperation with other lotteries through the Multi-State Lottery Association. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. The net revenue, after prizes, sales commissions and operating expenses, is deposited in the state general fund on a quarterly basis.

The Montana Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services	1,705,624	65,386	0	1,771,010	70,489	0	1,776,113
Operating Expenses	5,444,138	132,164	980	5,577,282	30,226	848	5,475,212
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Total Costs	\$7,191,839	\$197,550	\$980	\$7,390,369	\$100,715	\$848	\$7,293,402
Proprietary	7,191,839	197,550	980	7,390,369	100,715	848	7,293,402
Total Funds	\$7,191,839	\$197,550	\$980	\$7,390,369	\$100,715	\$848	\$7,293,402

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,824	\$0
FY 2011	\$14,983	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,250	\$0
FY 2011	\$1,250	\$0

PL- 1501 - Lottery Commission Per Diem -

In accordance with 23-7-201 and 202, MCA, this request restores zero based per-diem for Lottery Commission members of \$1,250 proprietary funds each year.

DEPARTMENT OF ADMINISTRATION-6101 MONTANA STATE LOTTERY-15

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,049	\$0
FY 2011	\$17,909	\$0

PL- 1502 - Lottery Rent -

The budget includes \$14,049 in FY 2010 and \$17,909 in FY 2011 to fund an anticipated 3% per year rent increase.

-----New Proposals-----

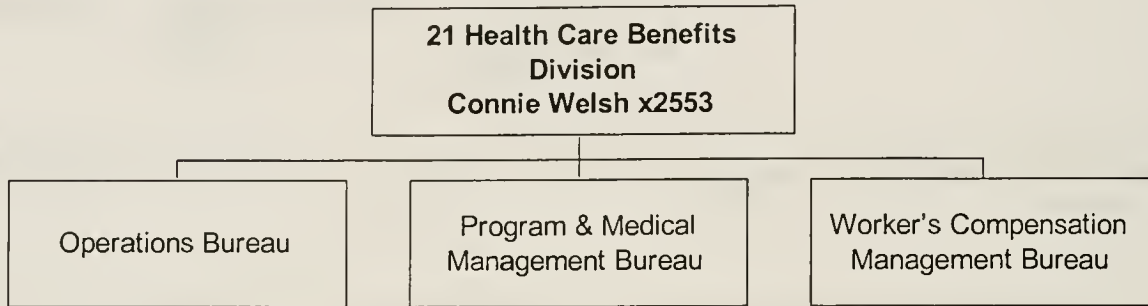
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$980	\$0
FY 2011	\$848	\$0

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$980 in FY 2010 and \$848 in FY 2011 proprietary funds for the Montana Lottery's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 HEALTH CARE & BENEFITS DIVISION-21

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Health Care and Benefits Division provides state employees, retirees, members of the legislature, judges and judicial branch employees, and their dependents with group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefits program. The division administers benefits plans including health, dental, prescription drug, life, long-term care, vision coverage, long-term disability, flexible spending accounts, a sick leave fund, employee assistance services, health promotion, and a voluntary employee benefit health care expense trust. The division administers a lease and contract to provide daycare services for Helena area state employees. Finally, the division is responsible for the centralized oversight and management of workers' compensation related matters impacting the state as an employer.

Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Montana Safety Culture Act as it applies to state government is found in 39-71-1501 et seq.

Language Recommendations - "The department is appropriated up to \$500,000 of state special revenue each year of the biennium to assist agencies in reducing workers' compensation injuries and costs. These funds may not be expended for activities that duplicate other agency expenditures or programs."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	3.00	3.00	0.00	3.00	3.00
Operating Expenses	43,116	5,285	0	48,401	7,151	0	50,267
Total Costs	\$43,116	\$5,285	\$0	\$48,401	\$7,151	\$0	\$50,267
State/Other Special	43,116	5,285	0	48,401	7,151	0	50,267
Total Funds	\$43,116	\$5,285	\$0	\$48,401	\$7,151	\$0	\$50,267

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,285	\$0
FY 2011	\$7,151	\$0

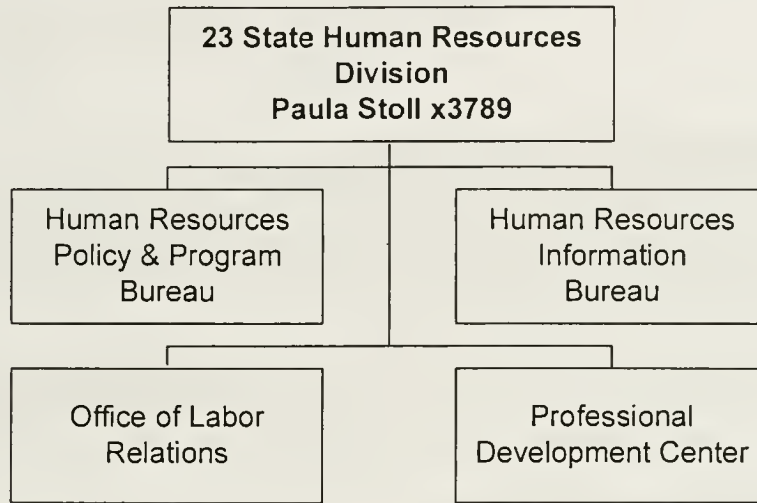
PL- 2104 - Daycare Lease Rate -

In November 2005, the Health Care and Benefits Division (HCBD) renegotiated its lease with the Helena School District for daycare facilities located at the Ray Bjork School. Following the three year contract, the lease agreement allows for annual renewals with a rent rate increase equal to the current cost per square foot multiplied by the CPI index for all urban consumers for the previous year. This request funds the anticipated increase.

DEPARTMENT OF ADMINISTRATION-6101

STATE HUMAN RESOURCES DIVISION-23

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

the Human Resources Policy and Programs (HRPP) Bureau which establishes the human resource rules, policies and standards for Montana's executive branch, the State Office of Labor Relations which represents the governor's office in all matters relating to collective bargaining, the Professional Development Center (PDC) which offers training and other professional development services to Montana state government and other organizations, and the Human Resources Information Services Bureau which supplies payroll and other HR information systems for all branches of state government.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.53	0.00	0.50	20.03	0.00	1.00	20.53
Personal Services	1,085,933	195,835	36,681	1,318,449	198,767	66,173	1,350,873
Operating Expenses	318,393	44,753	60,015	423,161	45,673	9,934	374,000
Total Costs	\$1,404,326	\$240,588	\$96,696	\$1,741,610	\$244,440	\$76,107	\$1,724,873
General Fund	1,404,326	240,588	96,696	1,741,610	244,440	76,107	1,724,873
Total Funds	\$1,404,326	\$240,588	\$96,696	\$1,741,610	\$244,440	\$76,107	\$1,724,873

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,023	\$5,023
FY 2011	\$5,540	\$5,540

PL- 106 - Allocate Department Indirect/Admin Costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

DEPARTMENT OF ADMINISTRATION-6101 **STATE HUMAN RESOURCES DIVISION-23**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,681	\$36,681
FY 2011	\$66,173	\$66,173

NP- 2301 - Training Development Spec. FTE Funding Switch -

The State Human Resources Division (SHRD) is asking for a funding switch to the general fund of 0.50 FTE in FY 2010 and 1.00 FTE in FY 2011. The cost to the general fund would be \$102,854 for the 2011 biennium to make the funding switch for the existing Training Manager position in the Professional Development Center. This position has been supported by proprietary funding since the 1989 biennium. Funding this position would greatly enhance the division's effort in workforce planning.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,408	\$9,408
FY 2011	\$9,408	\$9,408

NP- 2302 - Interagency Disabilities Advisory Council -

The budget requests \$18,816 general fund for the 2011 biennium to cover the meeting costs of the Interagency Disabilities' Advisory Council. The council is administratively attached to the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$50,000
FY 2011	\$0	\$0

NP- 2303 - Workplace Accommodations for Disabled Employees - OTO

Title I of the Americans with Disabilities Act of 1990 (ADA) requires employers to provide reasonable accommodations to qualified individuals with disabilities who are employees or applicants for employment, unless doing so would cause undue hardship. This request provides \$50,000 one-time-only general fund for the biennium to assist state agencies in funding requests for reasonable accommodations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$607	\$607
FY 2011	\$526	\$526

NP- 6101 - Fixed Cost Work Comp Mgmt Pgm Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$607 in FY 2010 and \$526 in FY 2011 for the State Human Resources Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101

STATE TAX APPEAL BOARD-37

37 State Tax Appeal Board
 Karen Powell x5394

Program Description - The State Tax Appeal Board, established by Article VIII, Section 7, of the Montana Constitution and 15-2-101, MCA, provides a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation, and takes original jurisdiction in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property and new industry property, motor fuels taxes, vehicle taxes, and cabin site leases. The board travels throughout the state to hear appeals from decisions of the county tax appeal boards and to conduct informational meetings for the various county tax appeal boards. The State Tax Appeal Board directs the county tax appeal board secretaries, who are state employees, and pays their salaries and employee benefits from its personal services appropriation. The board also reviews and pays the expenses, including employee benefits, of those county tax appeal board secretaries who are county employees. In addition, the board pays the clerical-related expenses for all 56 county tax appeal boards, including supplies, postage and copies, but excluding office equipment.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	7.50	0.00	0.00	7.50	0.00	0.00	7.50
Personal Services	350,262	80,376	26,000	456,638	81,625	9,000	440,887
Operating Expenses	61,386	13,450	4,234	79,070	13,738	9,202	84,326
Local Assistance	500	0	6,400	6,900	0	3,000	3,500
Total Costs	\$412,148	\$93,826	\$36,634	\$542,608	\$95,363	\$21,202	\$528,713
General Fund	412,148	93,826	36,634	542,608	95,363	21,202	528,713
Total Funds	\$412,148	\$93,826	\$36,634	\$542,608	\$95,363	\$21,202	\$528,713

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,525	\$3,525
FY 2011	\$3,696	\$3,696

PL- 106 - Allocate Department Indirect/Admin Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

DEPARTMENT OF ADMINISTRATION-6101 STATE TAX APPEAL BOARD-37

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,400	\$36,400
FY 2011	\$21,000	\$21,000

NP- 3701 - STAB 2009 Statewide Reappraisal of Property -

All residential, commercial, and timber land will be reevaluated for tax purposes effective January 2009. This will be the first reevaluation in six years and will generate an increased number of property tax appeals. The entire request is for County Tax Appeal Board expense to process appeals. The personal services amount is for per-diem for the County Tax Appeal Board.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$234	\$234
FY 2011	\$202	\$202

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$234 in FY 2010 and \$202 in FY 2011 general fund for the State Tax Appeal Board's allocation of the fixed cost.

MONTANA CONSENSUS COUNCIL-6106 MT CONSENSUS COUNCIL-01

Mission Statement - The Montana Consensus Council shall promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues that are important to Montanans.

Statutory Authority - State mandated the Montana Consensus Council under MCA 2-15-1027.

Program Description - The Montana Consensus Council is a public organization that helps citizens and officials build agreement and resolve disputes on natural resource and other public policy issues. The Montana Consensus Council assists state agencies and private organizations with resolving workplace conflict and providing workplace hostility prevention training.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2.50	0.00	(2.50)	0.00	0.00	(2.50)	0.00
Personal Services	101,214	62,393	(163,607)	0	62,444	(163,658)	0
Operating Expenses	35,221	(7,518)	(27,703)	0	(7,507)	(27,714)	0
Transfers	13,000	0	(13,000)	0	0	(13,000)	0
Total Costs	\$149,435	\$54,875	(\$204,310)	\$0	\$54,937	(\$204,372)	\$0
General Fund	86,978	(10,962)	(76,016)	0	(10,962)	(76,016)	0
State/Other Special	62,457	65,837	(128,294)	0	65,899	(128,356)	0
Total Funds	\$149,435	\$54,875	(\$204,310)	\$0	\$54,937	(\$204,372)	\$0

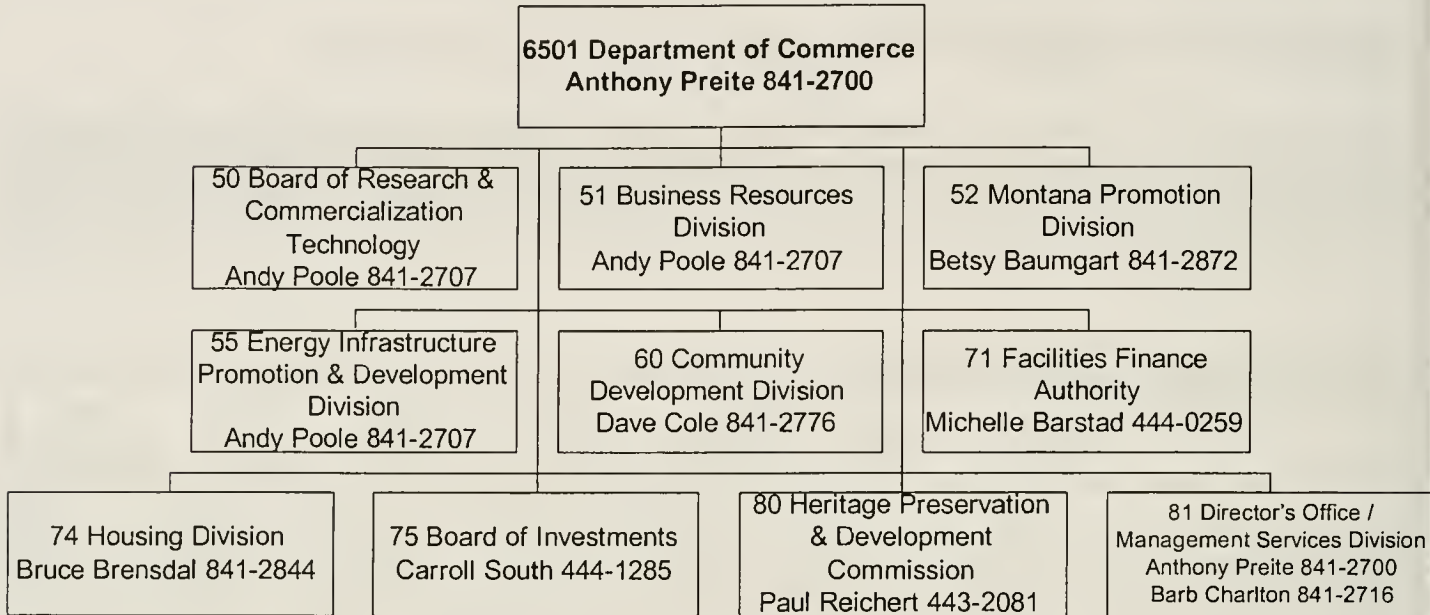
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$204,310)	(\$76,016)
FY 2011	(\$204,372)	(\$76,016)

NP- 1 - Eliminate Montana Consensus Council Budget -
On February 22, 2008, the Montana Consensus Council (MCC) Board voted to terminate the MCC's operations effective June 30, 2008. The decision packages zeroes out the budget for the MCC and is related to proposed legislation (LC 257).

DEPARTMENT OF COMMERCE-6501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement -The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing and facilities; and promotes and enhances Montana's positive national and international image.

"The Department of Commerce will enhance and sustain a healthy economy so Montana businesses, communities, and people can prosper."

Statutory Authority - The Department is mandated in 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	46.66	1.00	11.00	58.66	1.00	11.00	58.66
Personal Services	2,755,120	334,468	687,709	3,777,297	343,873	687,365	3,786,358
Operating Expenses	2,526,589	2,526,311	796,628	5,849,528	2,483,902	418,700	5,429,191
Equipment & Intangible Assets	97,650	0	0	97,650	0	0	97,650
Grants	15,597,961	8,218,318	4,544,372	28,360,651	5,326,222	4,544,143	25,468,326
Transfers	0	0	354,886	354,886	0	0	0
Total Costs	\$20,977,320	\$11,079,097	\$6,383,595	\$38,440,012	\$8,153,997	\$5,650,208	\$34,781,525
General Fund	2,452,220	414,662	5,933,521	8,800,403	411,968	5,555,178	8,419,366
State/Other Special	2,442,145	4,881,122	449,352	7,772,619	1,855,274	94,404	4,391,823
Federal Special	16,082,955	5,783,313	722	21,866,990	5,886,755	626	21,970,336
Total Funds	\$20,977,320	\$11,079,097	\$6,383,595	\$38,440,012	\$8,153,997	\$5,650,208	\$34,781,525

DEPARTMENT OF COMMERCE-6501 BUSINESS RESOURCES DIVISION-51

51 Business Resources
Division
Andy Poole 841-2707

Regional Development
Bureau

Trade & International
Relations Bureau

Small Business
Development Center
Bureau

Census & Economic
Information Center

Program Description - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapter 1 and 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	25.16	1.00	5.00	31.16	1.00	5.00	31.16
Personal Services	1,562,436	181,847	311,953	2,056,236	186,645	311,268	2,060,349
Operating Expenses	1,219,100	2,214,407	267,650	3,701,157	2,207,820	245,062	3,671,982
Grants	2,632,421	858,545	4,544,372	8,035,338	858,545	4,544,143	8,035,109
Total Costs	\$5,413,957	\$3,254,799	\$5,123,975	\$13,792,731	\$3,253,010	\$5,100,473	\$13,767,440
General Fund	2,008,230	214,293	5,123,454	7,345,977	211,272	5,100,021	7,319,523
State/Other Special	176,100	2,168,474	142	2,344,716	2,167,409	123	2,343,632
Federal Special	3,229,627	872,032	379	4,102,038	874,329	329	4,104,285
Total Funds	\$5,413,957	\$3,254,799	\$5,123,975	\$13,792,731	\$3,253,010	\$5,100,473	\$13,767,440

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,145,546	\$50,110
FY 2011	\$2,148,319	\$51,357

PL- 5105 - BRD Administrative Costs Adjustments HB 2 -

The executive recommends operating adjustments for the Business Resources Division. Additional operating cost adjustments include: travel, communications, rent, training costs, indirect costs, and software for reporting to the federal government in the Small Business Development Center (SBDC) bureau. In addition, the request includes \$2 million state special revenue each year to record loans to certified Microbusiness development corporations on the state accounting system. The total amount of the request is \$2,145,546 in FY 2010 and \$2,148,319 in FY 2011 including general fund of \$50,110 in FY 2010 and \$51,357 in FY 2011.

DEPARTMENT OF COMMERCE-6501

BUSINESS RESOURCES DIVISION-51

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$858,545	\$0
FY 2011	\$858,545	\$0

PL- 5106 - BRD Federal Grants Adjustment HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match anticipated available federal funds for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

PL- 6105 - Montana Equity Capital Act - OTO -

This request provides funding for the State Capital Investment Board. The board was created by the 2005 Legislature, but was not funded. The board was given authority to provide contingent, deferred tax credits to enable a "Fund of Funds" manager to promote equity capital investments in Montana companies. The one-time-only appropriation of \$100,000 general fund each year of the biennium will fund the program, and anticipated costs involved in participating in a Supreme Court test case to determine if the Act is constitutional.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,997,361	\$3,997,361
FY 2011	\$3,997,361	\$3,997,361

NP- 5190 - BRD New Worker Training -OTO -

The New Worker Training provides funding for companies in Montana to apply for workforce training grants from the Department of Commerce. A seven-member Grant Review Committee, consisting of both public and private members, makes the grant award decisions and adopts the administrative rules to implement the workforce training grant program. The request includes nearly \$4 million general fund each year to continue the level of funding approved for the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$798,496	\$798,496
FY 2011	\$798,496	\$798,496

NP- 5191 - BRD Tribal Economic Development - OTO -

The administration requests a one-time-only general fund appropriation of approximately \$798,000 each year of the biennium to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects. Each tribal government is eligible to apply.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$948	\$427
FY 2011	\$822	\$370

NP- 6101 - HB 2 Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$948 in FY 2010 and \$822 in FY 2011 general, state special, and federal funds for the Business Resource Division's allocation of the fixed cost.

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$125,000	\$125,000
FY 2011	\$125,000	\$125,000

NP- 6103 - Montana Main Street Program - OTO -

Funding to implement the Montana Main Street Program will be used to help communities rejuvenate their downtown and historic districts. The executive requests general fund in the amount of \$125,000 each year as a one-time-only appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

NP- 6104 - Made in Montana Program - OTO -

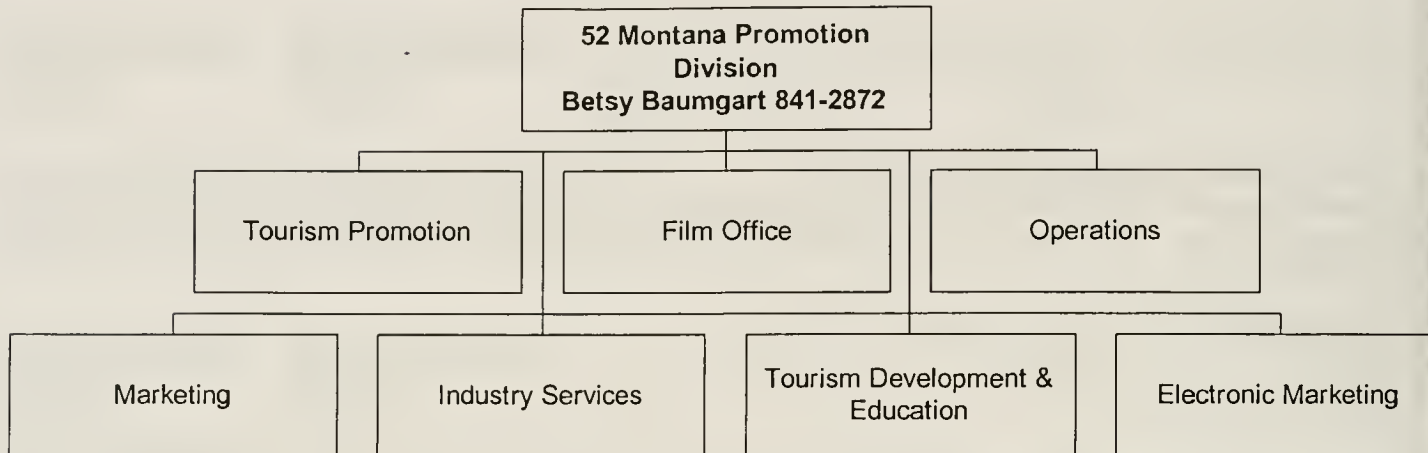
The Made In Montana initiative is designated as a one time only appropriation for the 2011 biennium. The executive requests \$100,000 of general fund each year to provide further technical (business-to-business) support, marketing information, and coaching to selected Montana businesses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$102,170	\$102,170
FY 2011	\$78,794	\$78,794

NP- 6106 - 2010 Decennial Census- OTO -

The budget includes general fund of \$102,170 in FY 2010 and \$78,794 in FY 2011 for the Census and Economic Information Center to continue its long-standing commitment and partnership with the U.S. Census Bureau and take full responsibility for promoting the decennial census in Montana and coordinate with the Census Bureau, the 56 counties, and the 126 incorporated cities/towns and numerous organizations and educational institutions throughout the state in an effort to ensure an accurate population count for the state.

**DEPARTMENT OF COMMERCE-6501
MONTANA PROMOTION DIVISION-52**



Program Description - The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production in the state. The division focuses on attracting high value, low impact visitors who contribute to Montana's economic and social prosperity while respecting and appreciating Montana's authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes infrastructure grants and oversees expenditures of six regional non-profit corporations and the eleven qualified convention and visitors bureaus. The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax. Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	636,359	138,867	0	775,226	113,641	0	750,000
Grants	0	0	0	0	0	0	0
Total Costs	\$636,359	\$138,867	\$0	\$775,226	\$113,641	\$0	\$750,000
General Fund	0	0	0	0	0	0	0
State/Other Special	636,359	138,867	0	775,226	113,641	0	750,000
Total Funds	\$636,359	\$138,867	\$0	\$775,226	\$113,641	\$0	\$750,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$119,968	\$0
FY 2011	\$119,968	\$0

PL- 5203 - MPD Private Funds & Audit Adjustments HB 2 -

The Montana Promotion Division has historically adjusted its HB 2 private funds appropriation to \$750,000 for each year of the biennium. This proposal continues the historically established trend.

DEPARTMENT OF COMMERCE-6501 ENERGY PROMOTION & DEVELOPMENT DIVISION-55

**55 Energy Infrastructure
Promotion & Development
Division
Andy Poole 841-2707**

Program Description - The Energy Promotion and Development (EPDD) Division facilitates the promotion, planning, development, economic analysis, and coordination of energy facilities that impact Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	5.00	5.00	0.00	5.00	5.00
Personal Services	0	0	297,878	297,878	0	298,219	298,219
Operating Expenses	0	0	157,122	157,122	0	156,781	156,781
Total Costs	\$0	\$0	\$455,000	\$455,000	\$0	\$455,000	\$455,000
General Fund	0	0	455,000	455,000	0	455,000	455,000
Total Funds	\$0	\$0	\$455,000	\$455,000	\$0	\$455,000	\$455,000

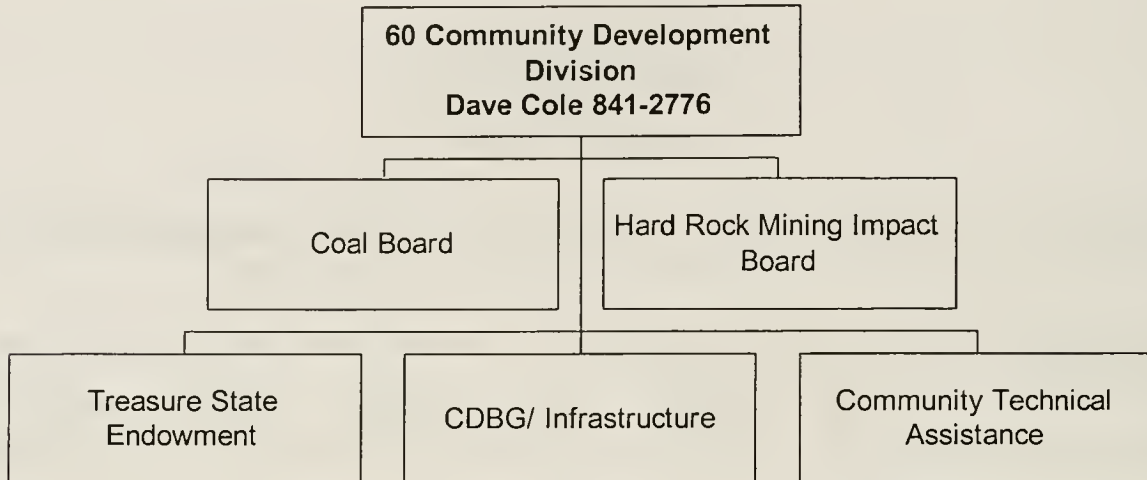
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$455,000	\$455,000
FY 2011	\$455,000	\$455,000

NP- 5192 - EPDD Energy Division - Reauthorize OTO -

The creation of the Energy Promotion and Development Division was funded with a one-time-only general fund appropriation by the 2007 Legislature. This budget request reauthorizes the one-time-only appropriation of \$330,000 for the 2011 biennium to continue the operation of the division and adds an additional \$125,000 to the program. The division will have a total of 5.00 FTE.

DEPARTMENT OF COMMERCE-6501 COMMUNITY DEVELOPMENT DIVISION-60



Program Description - The original enabling legislation for the Department of Commerce was the Planning and Economic Development Act of 1967. Supporting sound community planning and local economic development have been parallel missions for the department ever since. The missions of the Community Development Division (CDD) are primarily mandated in Title 90, Chapter 1 and Chapter 6, MCA; and federal authorizations 24 CFR 570, subpart 1; and 42 USC 5301.

The CDD administers three programs directly: the Community Technical Assistance Program (CTAP), the Community Development Block Grant Program (CDBG), and the Treasure State Endowment Program (TSEP).

Two citizen boards, appointed by the Governor, are attached to the CDD for administrative purposes. The division provides office facilities, staff, and administrative support for the two boards: the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

Language Recommendation: - "The department is appropriated up to \$800,000 for the 2011 biennium from the state special revenue account established in 90-6-304, MCA, for the purposes of disbursing hard rock mining impact funds to the impacted counties per 90-6-331, MCA, if revenue exceeds the appropriated amount in HB 2."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	15.00	0.00	1.00	16.00	0.00	1.00	16.00
Personal Services	902,064	57,808	77,878	1,037,750	60,338	77,878	1,040,280
Operating Expenses	371,226	93,805	16,725	481,756	87,612	16,645	475,483
Grants	6,969,025	4,121,570	0	11,090,595	1,121,570	0	8,090,595
Total Costs	\$8,242,315	\$4,273,183	\$94,603	\$12,610,101	\$1,269,520	\$94,523	\$9,606,358
General Fund	434,130	116,703	181	551,014	117,011	157	551,298
State/Other Special	1,629,025	2,424,442	94,324	4,147,791	(575,115)	94,281	1,148,191
Federal Special	6,179,160	1,732,038	98	7,911,296	1,727,624	85	7,906,869
Total Funds	\$8,242,315	\$4,273,183	\$94,603	\$12,610,101	\$1,269,520	\$94,523	\$9,606,358

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,461,587	\$43,027
FY 2011	(\$536,724)	\$43,475

PL- 6002 - CDD Administrative Costs Adjustments HB 2 -

This adjustment includes per diem for the Hard Rock Mining Impact Board and Coal Board and the maintenance of a reserve account that is set forth in statute for the Hard Rock Mining Impact Board. Additional costs of the decision package include a rent adjustment, local impact grants for the Coal Board, and authority to disperse funds to the counties from the hard-rock mining impact trust account.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,741,165	\$0
FY 2011	\$1,741,165	\$0

PL- 6003 - CDD CDBG Federal Grants Adjustment HB 2 -

This decision package adjusts federal grants received by the Community Development Division for the Community Development Block Grant (CDBG) program for estimated federal authority in the 2011 biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$94,000	\$0
FY 2011	\$94,000	\$0

NP- 6001 - CDD TSEP Engineer HB 2 -

The request includes 1.00 FTE and \$94,000 state special revenue each year of the biennium for an in-house engineer and related operating expenses for the Treasure State Endowment Program.

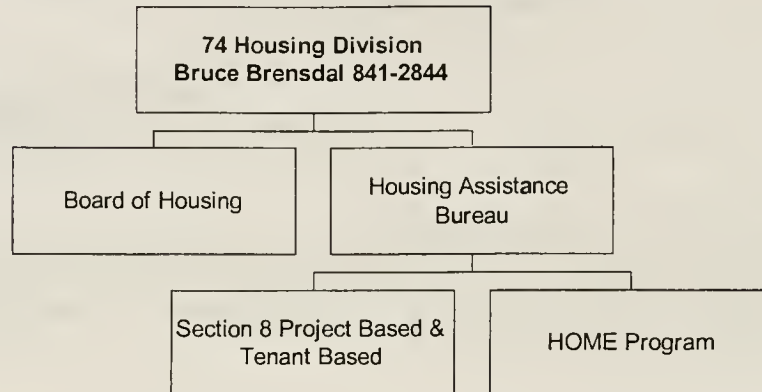
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$603	\$181
FY 2011	\$523	\$157

NP- 6101 - HB 2 Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$603 in FY 2010 and \$523 in FY 2011 general fund and other funds for the Community Development Division's allocation of the fixed cost.

DEPARTMENT OF COMMERCE-6501 HOUSING DIVISION-74

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.50	0.00	0.00	6.50	0.00	0.00	6.50
Personal Services	290,620	94,813	0	385,433	96,890	0	387,510
Operating Expenses	299,904	79,232	355,131	734,267	74,829	212	374,945
Equipment & Intangible Assets	97,650	0	0	97,650	0	0	97,650
Grants	5,270,867	3,238,203	0	8,509,070	3,346,107	0	8,616,974
Transfers	0	0	354,886	354,886	0	0	0
Total Costs	\$5,959,041	\$3,412,248	\$710,017	\$10,081,306	\$3,517,826	\$212	\$9,477,079
General Fund	9,860	83,666	354,886	448,412	83,685	0	93,545
State/Other Special	661	149,339	354,886	504,886	149,339	0	150,000
Federal Special	5,948,520	3,179,243	245	9,128,008	3,284,802	212	9,233,534
Total Funds	\$5,959,041	\$3,412,248	\$710,017	\$10,081,306	\$3,517,826	\$212	\$9,477,079

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$77,909	\$18,668
FY 2011	\$78,711	\$18,666

PL- 7405 - HD Administrative Costs Adjustments HB 2 -

This decision package annualizes the cost of the mobile home renovation program and adjusts other fixed costs such as rent and indirect costs to the program.

**DEPARTMENT OF COMMERCE-6501
HOUSING DIVISION-74**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,238,203	\$0
FY 2011	\$3,346,107	\$0

PL- 7406 - HD Federal Grants Adjustment HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Housing Division to match anticipated available federal funds for the 2011 biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$245	\$0
FY 2011	\$212	\$0

NP- 6101 - HB 2 Fixed Cost Workers Comp Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$245 in FY 2010 and \$212 in FY 2011 federal special revenue funds for the Department of Commerce Housing Division's allocation of the fixed cost.

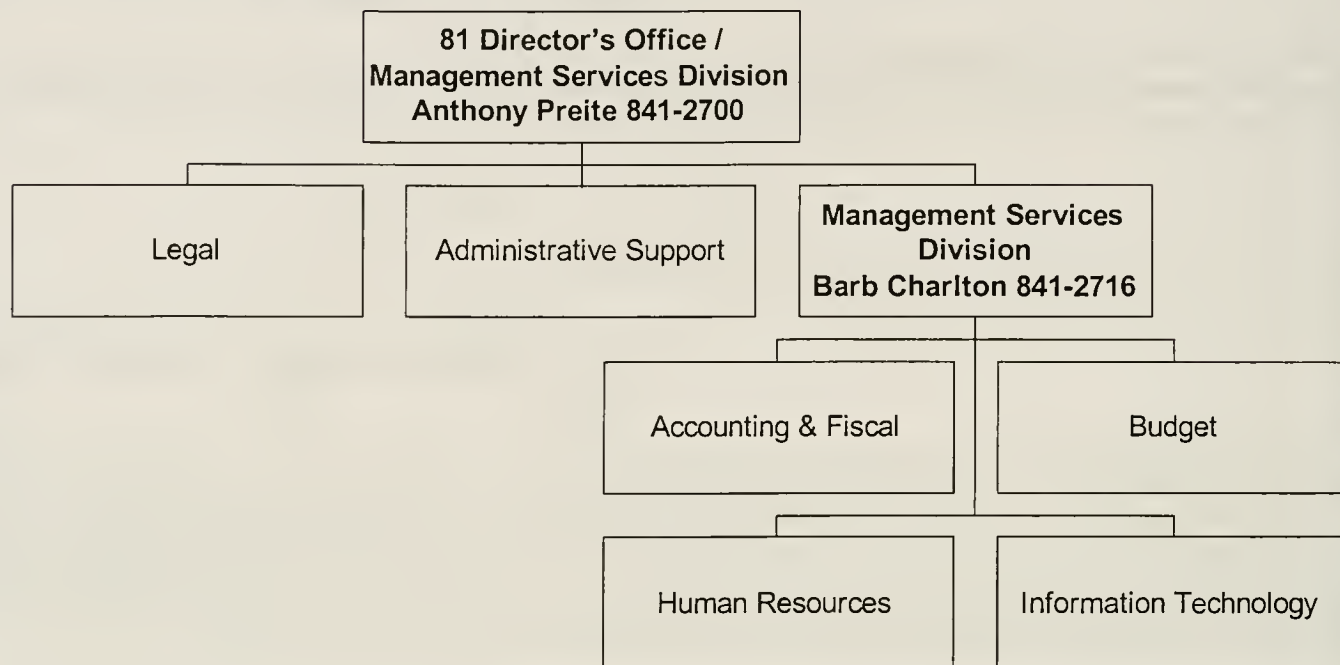
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$709,772	\$354,886
FY 2011	\$0	\$0

NP- 7409 - Manufactured Home Renovation - Bien/OTO -

The Manufactured Home Renovation Program was established in HB 2 in the 2007 legislative session for a pilot project to provide safe, decent, energy efficient, and affordable replacement housing, and decommission pre-HUD Code (1976) owner occupied manufactured housing. The strategy for accomplishing this goal would be to finance the replacement and decommissioning of individual pre-HUD Code manufactured homes with terms and conditions that assure affordability. This request includes \$354,886 one-time-only general fund transferred to the Manufactured Home Renovation state special revenue fund. In addition, it includes a \$354,886 appropriation from the state special revenue fund for the program implementation.

**DEPARTMENT OF COMMERCE-6501
DIRECTOR/MANAGEMENT SERVICES-81**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office/Management Services Division consists of three programs:

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce staff, programs, bureaus, divisions and administratively attached boards. The office provides executive, administrative, legal, and policy direction along with offering problem-solving guidance. The office keeps abreast of department related issues and acts in a public relations and informational capacity to ensure a positive image of the Department. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected official and the public to diversify and expand the state's economic base. The office acts as the liaison with private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor's Office.

The Management Services Division (MSD) provides effective and efficient internal support to Department of Commerce staff, programs, bureaus, divisions and administratively attached boards in a positive customer service oriented manner. Services provided by the Management Services Division include budgeting, accounting, fiscal management, internal controls, contracting, purchasing, asset management, information technology, human resources, payroll, benefits, training and assistance with the implementation of and compliance with policies, rules, regulations and statutes.

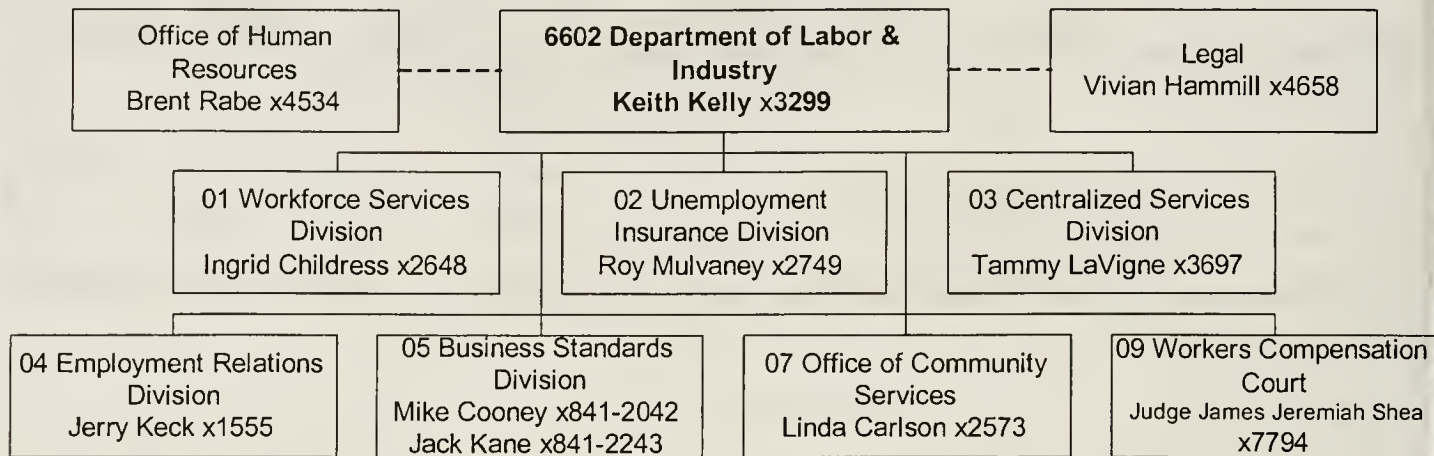
The Montana Council on Developmental Disabilities is a citizen based advocacy group. Its members, appointed by the Governor, work to provide increased independence, integration and productivity for persons with developmental disabilities.

**DEPARTMENT OF COMMERCE-6501
DIRECTOR/MANAGEMENT SERVICES-81**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	725,648	0	0	725,648	0	0	725,648
Total Costs	\$725,648	\$0	\$0	\$725,648	\$0	\$0	\$725,648
Federal Special	725,648	0	0	725,648	0	0	725,648
Total Funds	\$725,648	\$0	\$0	\$725,648	\$0	\$0	\$725,648

DEPARTMENT OF LABOR & INDUSTRY-6602

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The purpose of the Department of Labor and Industry is to promote the well-being of Montana's workers, employers, and citizens, and to uphold their rights and responsibilities.

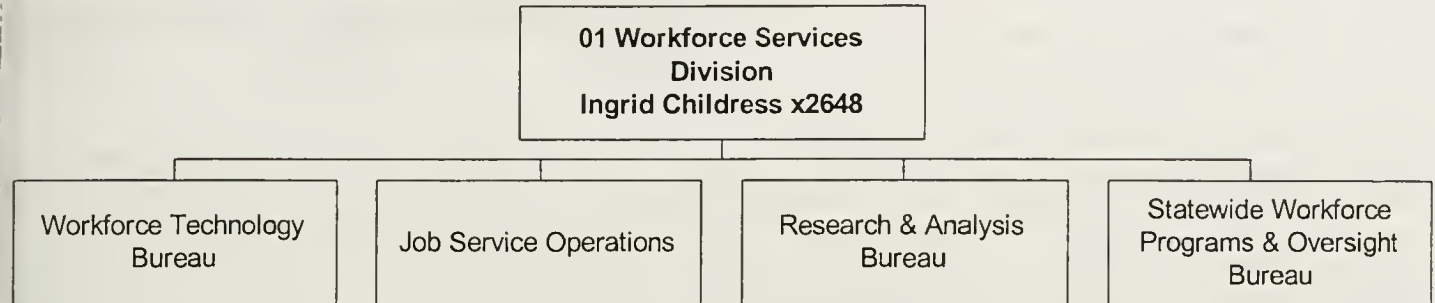
Statutory Authority - Primarily Titles 18, 30, 37, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	730.08	0.00	40.00	770.08	0.00	40.00	770.08
Personal Services	37,295,537	3,126,931	2,287,491	42,709,959	3,259,543	2,292,481	42,847,561
Operating Expenses	17,451,034	2,806,600	953,758	21,211,392	2,756,768	936,573	21,144,375
Equipment & Intangible Assets	437,097	44,006	(65)	481,038	37,006	(65)	474,038
Capital Outlay	0	0	163,700	163,700	0	0	0
Grants	8,087,502	0	0	8,087,502	0	0	8,087,502
Benefits & Claims	126,085	0	0	126,085	0	0	126,085
Transfers	1,011,753	(378,197)	0	633,556	(375,670)	0	636,083
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$64,412,783	\$5,599,340	\$3,404,884	\$73,417,007	\$5,677,647	\$3,228,989	\$73,319,419
General Fund	2,235,593	175,965	550,000	2,961,558	178,077	550,000	2,963,670
State/Other Special	33,593,817	850,738	4,224,884	38,669,439	879,018	4,378,989	38,851,824
Federal Special	28,535,931	4,529,905	(1,370,000)	31,695,836	4,577,770	(1,700,000)	31,413,701
Proprietary	47,442	42,732	0	90,174	42,782	0	90,224
Total Funds	\$64,412,783	\$5,599,340	\$3,404,884	\$73,417,007	\$5,677,647	\$3,228,989	\$73,319,419

DEPARTMENT OF LABOR & INDUSTRY-6602

WORK FORCE SERVICES DIVISION-01

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Workforce Services Division (WSD) operates through four bureaus. The Field Operations Bureau functions through a network of 25 Job Service Workforce Centers. The division is a gateway to government services in the area of employment and training services. The WSD performs services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers. Other bureaus include Workforce Technology, Statewide Workforce Programs & Oversight Bureau, and Research and Analysis.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	302.95	0.00	0.00	302.95	0.00	0.00	302.95
Personal Services	13,310,138	2,904,431	150,000	16,364,569	2,966,838	150,000	16,426,976
Operating Expenses	4,454,878	772,092	800,000	6,026,970	754,396	800,000	6,009,274
Equipment & Intangible Assets	21,288	0	0	21,288	0	0	21,288
Grants	5,919,834	0	0	5,919,834	0	0	5,919,834
Transfers	171,924	0	0	171,924	0	0	171,924
Total Costs	\$23,878,062	\$3,676,523	\$950,000	\$28,504,585	\$3,721,234	\$950,000	\$28,549,296
General Fund	738,774	61,018	550,000	1,349,792	61,444	550,000	1,350,218
State/Other Special	8,251,698	(205,515)	400,000	8,446,183	(187,266)	400,000	8,464,432
Federal Special	14,887,590	3,821,020	0	18,708,610	3,847,056	0	18,734,646
Total Funds	\$23,878,062	\$3,676,523	\$950,000	\$28,504,585	\$3,721,234	\$950,000	\$28,549,296

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$685,430	\$16,478
FY 2011	\$663,457	\$15,650

PL- 101 - WSD General Operating Increase -

The budget includes base adjustments in overtime, per diem, and operating cost increases for the Workforce Services Division. This includes off-campus rent, leased vehicles, and indirect costs. This request is for \$685,430 in FY 2010 and \$663,457 in FY 2011 which is funded by general fund, federal, and state revenues.

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$950,000	\$550,000
FY 2011	\$950,000	\$550,000

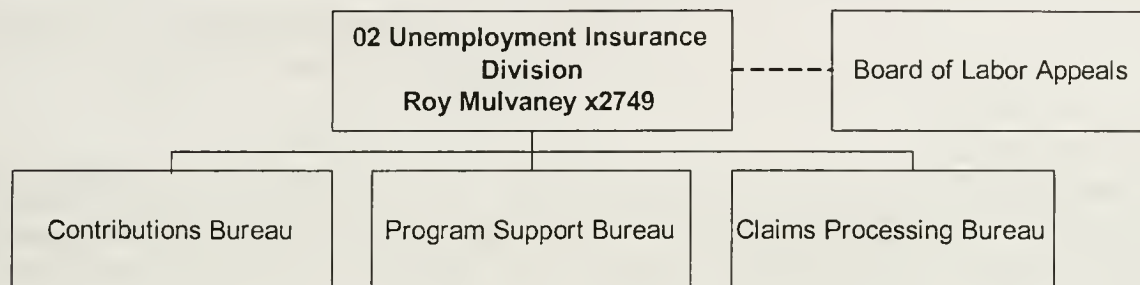
NP- 102 - 21st Century Workforce -

Montana needs to ensure a 21st Century workforce is ready for the jobs of today and tomorrow. Emerging technology, new job skills, and the demands of a changing economy, require Montana to quickly adapt the state's workforce to the needs of business and industry. The most efficient and cost effective way to prepare students entering the job market and those already in the workforce is to coordinate efforts and leverage resources. This budget request contains a dual-faceted approach to integrate an in-process reorganization at the Department of Labor and Industry with a proposal to identify gaps and respond to emerging workforce demands by helping workers receive necessary training in a variety of circumstances. The reorganization includes workforce technology infrastructure and moves the Jobs for Montana Graduates program, the Apprenticeship and Training program, the WIRED program, and the Statewide Workforce Investment Board (SWIB) into the 21st Century Workforce Technology, Apprenticeship, and Training Bureau. In addition, it increases the Incumbent Worker Training program. The proposal adds \$550,000 general fund and \$400,000 state special revenue each year of the 2011 biennium for administration of a Worker Development and Training Fund, including a Community College Student Growth account, which can quickly respond to rapid growth in high demand fields. In addition, these funds will support the coordination of these programs with other partners in the bureau and in the state of Montana, including education and economic development to best develop a responsive workforce.

DEPARTMENT OF LABOR & INDUSTRY-6602

UNEMPLOYMENT INSURANCE DIVISION-02

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to unemployed workers. The bureaus are: Contributions, Claims Processing, and Program Support. The Contributions Bureau is responsible for UI employer registration, contribution rate assignments, tax and wage report collection, wage revisions, and employer audits. The Claims Processing Bureau has two claims processing centers (Billings and Helena) that file and process claims (monetary eligibility, issue investigation, adjudication, and employer charging), and respond to all UI claim related inquires. The Claims Processing Bureau is also responsible for Trade Readjustment Assistance, military, federal, and multi-state claims. The Program Support Bureau manages the information technology systems and infrastructure, the division budget and accounting, and the UI trust fund. They also provide management analysis and research for economic, program management, reporting, and legislative purposes in addition to operating tax and benefit quality control, benefit payment control, and integrity programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	155.00	0.00	0.00	155.00	0.00	0.00	155.00
Personal Services	7,444,367	647,441	0	8,091,808	670,818	0	8,115,185
Operating Expenses	3,360,896	720,004	0	4,080,900	709,190	0	4,070,086
Capital Outlay	0	0	163,700	163,700	0	0	0
Transfers	564,555	(378,197)	0	186,358	(375,670)	0	188,885
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$11,373,593	\$989,248	\$163,700	\$12,526,541	\$1,004,338	\$0	\$12,377,931
State/Other Special	1,623,269	380,369	1,533,700	3,537,338	377,705	1,700,000	3,700,974
Federal Special	9,750,324	608,879	(1,370,000)	8,989,203	626,633	(1,700,000)	8,676,957
Total Funds	\$11,373,593	\$989,248	\$163,700	\$12,526,541	\$1,004,338	\$0	\$12,377,931

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$230,083	\$0
FY 2011	\$219,425	\$0

PL- 201 - UI General Operating Increase -

The executive recommends \$230,083 in FY 2010 and \$219,425 in FY 2011 state and federal special revenue funding for base adjustments in overtime, per diem, and operating costs. This includes costs for additional off-campus rent, central imaging costs, interactive voice response phone system costs, postage, system maintenance contractor costs, and indirect costs.

**DEPARTMENT OF LABOR & INDUSTRY-6602
UNEMPLOYMENT INSURANCE DIVISION-02**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 203 - UI Funding Switch -

In the 2007 Legislature, HB 790 was passed to decrease employers' State Unemployment Insurance Contributions tax rate schedules and generate additional revenue for administration of the Unemployment Insurance Division. This new rate structure did not become effective until January 1, 2008; therefore, the revenue collected in the base year was for only one quarter. This request for \$1.4 million in FY 2010 and \$1.7 million in FY 2011 state special revenue funding in place of federal special revenue funding will complete the funding switch for an entire fiscal year.

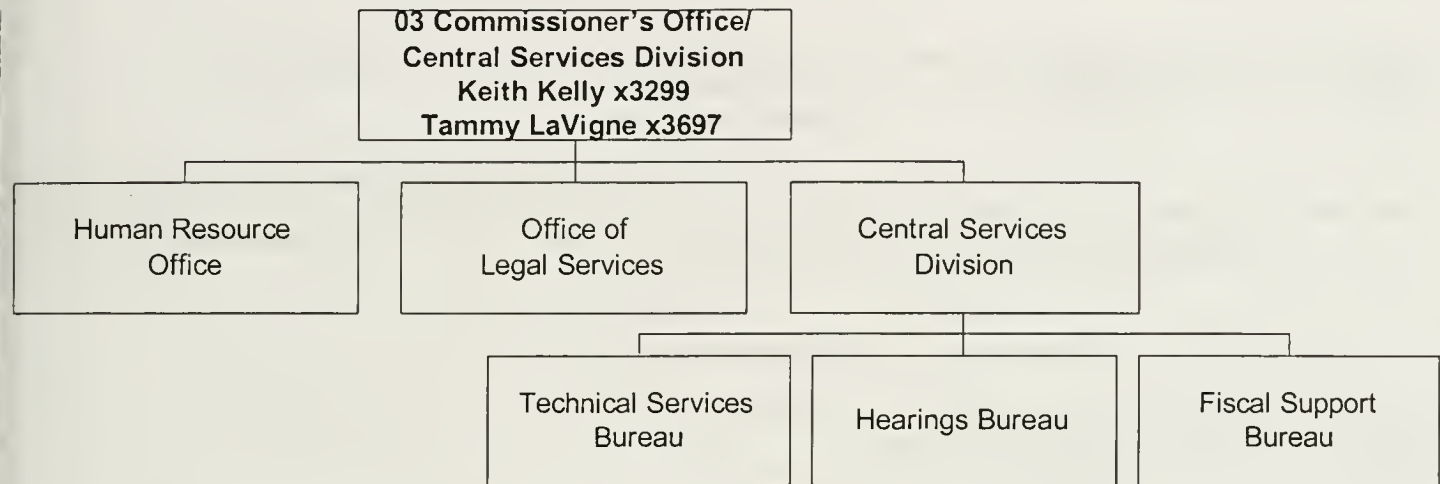
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$163,700	\$0
FY 2011	\$0	\$0

NP- 204 - UI Parking & Building Repair Bien - OTO -

The Unemployment Insurance Division Claims Processing Center in Billings is a state owned building. This request of \$163,700 FY 2010 state special and federal special revenue funding is to use funds from the sale of a parking lot a block away from the building and to request additional funds to develop an unpaved lot adjacent to the building and resurface the lot directly in front of the building. In addition, this request would allow the department to replace the carpet within the building.

**DEPARTMENT OF LABOR & INDUSTRY-6602
COMMISSIONER'S OFFICE/CSD-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Commissioner's Office and the Centralized Services Division provide program direction, legal, administration, and support services to the department's five programs and two administratively attached entities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,044,380	226,525	0	1,270,905	230,585	0	1,274,965
Operating Expenses	336,425	74,461	0	410,886	74,010	0	410,435
Total Costs	\$1,380,805	\$300,986	\$0	\$1,681,791	\$304,595	\$0	\$1,685,400
General Fund	259,167	6,929	0	266,096	7,433	0	266,600
State/Other Special	595,756	161,359	0	757,115	162,942	0	758,698
Federal Special	478,440	89,966	0	568,406	91,438	0	569,878
Proprietary	47,442	42,732	0	90,174	42,782	0	90,224
Total Funds	\$1,380,805	\$300,986	\$0	\$1,681,791	\$304,595	\$0	\$1,685,400

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$49,546	\$9,899
FY 2011	\$47,512	\$9,431

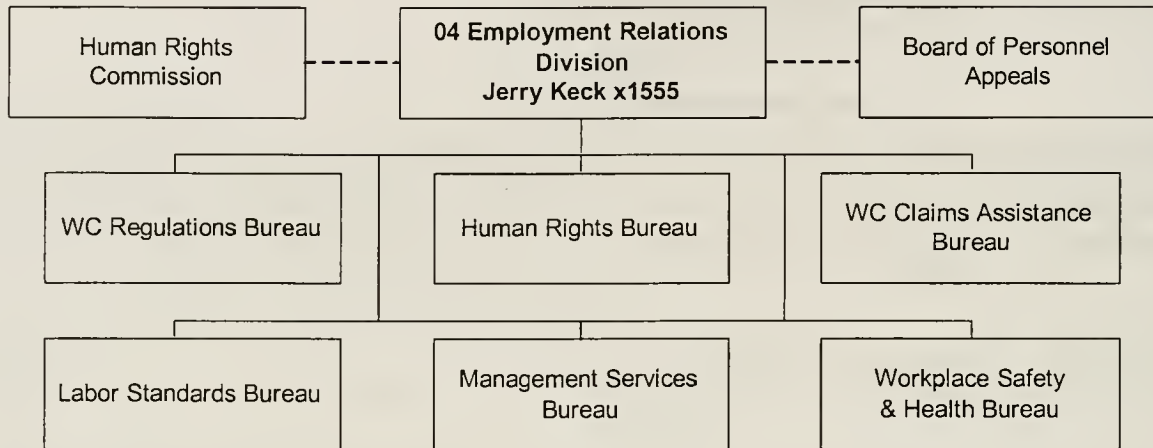
PL- 301 - CSD General Operating Increase -

This request of \$49,546 in FY 2010 and \$47,512 in FY 2011 is for indirect costs to support the Centralized Services Division. The funding sources for this request include general fund, state special, and federal special revenues. The affect of this proposal is immaterial to the proprietary rate.

DEPARTMENT OF LABOR & INDUSTRY-6602

EMPLOYMENT RELATIONS DIVISION-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Employment Relations Division (ERD) provides five service areas to the public: 1) Workers' Compensation (WC) Regulation Bureau, which regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions; 2) WC Claims Assistance Bureau, which assists organizations and individuals to arrive at early, less expensive settlements of their disputes, and provides management information on the workers' compensation system; 3) Labor Standards Bureau (and administratively attached Board of Personnel Appeals), which enforces state and federal labor laws related to the payment of wages, and provides collective bargaining mediation; 4) Workplace Safety and Health Bureau, which administers federal and state industrial safety laws; and 5) Human Rights Bureau (and administratively attached Human Rights Commission), which enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education. ERD also has one bureau, Management Services Bureau, which provides administrative and IT support to the other five bureaus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	128.10	0.00	3.00	131.10	0.00	3.00	131.10
Personal Services	6,836,094	791,075	160,299	7,787,468	813,851	160,410	7,810,355
Operating Expenses	3,717,829	347,465	75,949	4,141,243	342,979	66,965	4,127,773
Equipment & Intangible Assets	64,878	0	0	64,878	0	0	64,878
Benefits & Claims	126,085	0	0	126,085	0	0	126,085
Total Costs	\$10,744,886	\$1,138,540	\$236,248	\$12,119,674	\$1,156,830	\$227,375	\$12,129,091
General Fund	1,112,653	107,761	0	1,220,414	108,885	0	1,221,538
State/Other Special	8,970,029	1,025,241	236,248	10,231,518	1,040,780	227,375	10,238,184
Federal Special	662,204	5,538	0	667,742	7,165	0	669,369
Total Funds	\$10,744,886	\$1,138,540	\$236,248	\$12,119,674	\$1,156,830	\$227,375	\$12,129,091

**DEPARTMENT OF LABOR & INDUSTRY-6602
EMPLOYMENT RELATIONS DIVISION-04**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$296,266	\$38,348
FY 2011	\$284,726	\$36,834

PL- 401 - ERD General Operating Increase -

This request of \$296,266 in FY 2010 and \$284,726 in FY 2011 is funded by general fund, federal, and state special revenue to support board per diem, indirect costs, leased vehicles, server hosting, and off-campus rent.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$236,248	\$0
FY 2011	\$227,375	\$0

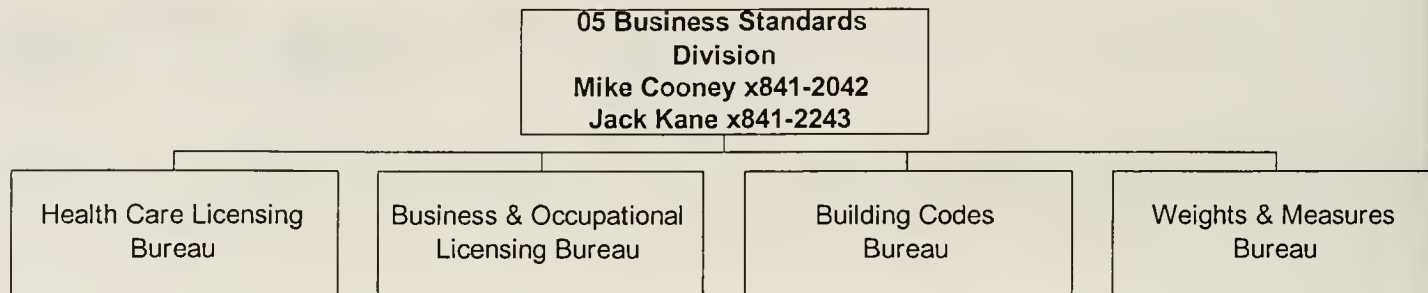
NP- 402 - WorkSafeMT - Safety Initiative -

The executive recommends \$236,248 in FY 2010 and \$227,375 in FY 2011 state special revenue funding for an additional 3.00 FTE to fulfill the vision of a safer workplace in Montana. WorkSafeMT is a statewide safety initiative, its mission is to reduce the incidence of workplace injury, illness, and disease thereby providing workers with a clean, safe, and healthy work environment; enhancing employer competitiveness through a healthy productive workforce; resulting in correspondingly low workers' compensation rates relative to peer states.

DEPARTMENT OF LABOR & INDUSTRY-6602

BUSINESS STANDARDS DIVISION-05

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business Standards Division consists of four bureaus: the Building Codes Bureau, Weights & Measures Bureau, Health Care Licensing Bureau (HCLB), and Business & Occupational Licensing Bureau (BOLB). The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator, and boiler codes throughout Montana. The bureau approves and certifies local government code enforcement programs adopted by the bureau and also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance. The bureau also provides administrative, clerical, and compliance support for five licensing programs. The Weights & Measures Bureau is responsible for licensing, inspecting, testing, and certifying all weighing and measuring devices used in making commercial transactions in Montana and enforces laws and regulations pertaining to the quantity control of prepackaged goods, the quality control of petroleum products, and is responsible for maintaining the state standards of mass and volume applied when calibrating other mass and volume standards used in testing commercial devices. The HCLB provides administrative, clerical, and compliance support for 21 licensing boards and 1 program that license professionals and individuals working in the health care field. The licensing boards and program in HCLB include 130 board members and 8 advisory counsel members appointed by the Governor. The BOLB provides administrative, clerical, and compliance support for 11 licensing boards and 1 licensing program that license professionals and individuals working in non-health-care-related professions and occupations. The licensing boards in BOLB include 78 board members appointed by the Governor.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	117.03	0.00	36.00	153.03	0.00	36.00	153.03
Personal Services	7,970,150	(1,426,004)	1,928,725	8,472,871	(1,406,946)	1,933,580	8,496,784
Operating Expenses	5,194,309	844,334	72,308	6,110,951	826,520	63,796	6,084,625
Equipment & Intangible Assets	350,931	44,006	(65)	394,872	37,006	(65)	387,872
Grants	11,881	0	0	11,881	0	0	11,881
Total Costs	\$13,527,271	(\$537,664)	\$2,000,968	\$14,990,575	(\$543,420)	\$1,997,311	\$14,981,162
State/Other Special	13,527,271	(537,664)	2,000,968	14,990,575	(543,420)	1,997,311	14,981,162
Total Funds	\$13,527,271	(\$537,664)	\$2,000,968	\$14,990,575	(\$543,420)	\$1,997,311	\$14,981,162

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$71,483	\$0
FY 2011	\$63,468	\$0

PL- 503 - Administration General Operating Increase -

This request is for \$71,483 in FY 2010 and \$63,468 in FY 2011, general operating increases including off-campus rent, indirect costs to support the Centralized Services Division, annual software purchase with ITSD, and \$7,000 to replace a server in FY 2010. This request is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$388,126	\$0
FY 2011	\$372,696	\$0

PL- 504 - Health Care Licensing Bureau Operating Increases -

This request of \$388,126 in FY 2010 and \$372,696 in FY 2011 state special revenue funding is for board per diem, contracted services, supplies and materials, travel, off-campus rent increase, indirect costs, legal costs, and other miscellaneous administrative operating expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$267,173	\$0
FY 2011	\$257,552	\$0

PL- 505 - BOLB General Operating Increase -

The budget includes \$267,173 in FY 2010 and \$257,552 in FY 2011 for board member per diem, contracted services, supplies and materials, travel, rent, indirect costs, recharges, and other miscellaneous administrative operating expenses. This request is funded by state special revenue funds within the Business & Occupational Licensing Boards.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$22,670	\$0
FY 2011	\$22,452	\$0

PL- 506 - Weights and Measures Bureau Operating Increase -

This request within the Weights and Measures Bureau is to restore FY 2008 base level funding to cover supplies & materials, travel expenses, increases in rent, and indirect costs. The request is for \$22,670 in FY 2010 and \$22,452 in FY 2011 and is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$141,672	\$0
FY 2011	\$138,324	\$0

PL- 507 - Building Codes General Operating Increase -

This request within the Building Codes Bureau is to restore FY 2008 base level funding to cover various operating expenses that will be associated with a fully staffed inspection team. In addition, it will cover increases in rent, legal costs, and indirect costs. The request is for \$141,672 in FY 2010 and \$138,324 in FY 2011 and is funded by state special revenue.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,831,310	\$0
FY 2011	\$1,835,900	\$0

NP- 501 - BSD - Funding Switch -

This request is to move 33.00 proprietary FTE to HB 2. The FTE are currently accounted for in an internal service fund whereby a "recharge" is assessed to the boards and programs who use their services. The operating costs related to the FTE are in HB 2 base authority. Moving the FTE to HB 2 would more properly account for the cost of services provided through cost allocation rather than a "recharge". There is no net increase in costs for this proposal.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$66,286	\$0
FY 2011	\$63,336	\$0

NP- 509 - BSD IT Support Specialist FTE -

This request is for \$66,286 in FY 2010 and \$63,336 in FY 2011 including 1.00 FTE information support specialist and related operating costs. Currently there are only 5.00 FTE supporting the division. With a growing customer base, the IT and e-commerce needs are growing. This request is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$74,453	\$0
FY 2011	\$69,156	\$0

NP- 510 - BSD Central Cashier FTE -

This request is for 2.00 FTE and \$74,453 in FY 2010 and \$69,156 in FY 2011 and associated costs of hiring two full time central cashiers for the Central Cashier Unit to address a legislative audit recommendation. The audit recommended that the division implement adequate controls for its deposit and reconciliation processes. To comply with this recommendation, the division has created a Central Cashier Unit.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$70,000	\$0
FY 2011	\$70,000	\$0

NP- 511 - BSD Restore Legal Contingency Fund - OTO -

This one time only proposal for \$70,000 state special revenue funding each year of the biennium is to restore the legal contingency fund for the Business & Occupational and the Health Care Licensing Bureaus. This contingency fund has been included in the budget since the 1993 biennium and isn't used if it isn't needed.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$41,081)	\$0
FY 2011	(\$41,081)	\$0

NP- 502 - Sunset the Athletics Licensing Program -

The number of events covered by this statute has declined to a point that the Athletics Licensing Program cannot bring in the revenue to support the cost of doing business. This request removes funding for the program and results in a decrease in state special revenue of \$41,081 each year of the 2011 biennium. It is contingent on passage and approval of LC 519 which eliminates the program.

DEPARTMENT OF LABOR & INDUSTRY-6602
OFFICE OF COMMUNITY SERVICES-07

07 Office of Community
 Services
 Linda Carlson x2573

Program Description - The Office of Community Services provides administration for the Corporation for National and Community Service programs (AmeriCorps), community service, and volunteer efforts statewide. The office was created by the 1993 Legislature at the request of the Governor in order to support community-based volunteer programs focused on addressing critical community needs. The vision of the office and its Commission on Community Service is to cultivate service as a lifelong "habit of the heart" for all citizens, and in particular, instill an ethic of community service in young Montanans.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	242,130	503	0	242,633	1,207	0	243,337
Operating Expenses	248,208	4,256	0	252,464	4,586	0	252,794
Grants	2,155,787	0	0	2,155,787	0	0	2,155,787
Transfers	275,274	0	0	275,274	0	0	275,274
Total Costs	\$2,921,399	\$4,759	\$0	\$2,926,158	\$5,793	\$0	\$2,927,192
General Fund	124,999	257	0	125,256	315	0	125,314
State/Other Special	39,027	0	0	39,027	0	0	39,027
Federal Special	2,757,373	4,502	0	2,761,875	5,478	0	2,762,851
Total Funds	\$2,921,399	\$4,759	\$0	\$2,926,158	\$5,793	\$0	\$2,927,192

DEPARTMENT OF LABOR & INDUSTRY-6602 WORKERS COMPENSATION COURT-09

09 Workers Compensation
Court
Judge James Jeremiah Shea
x7794

Program Description - The Workers' Compensation Court provides a venue for Montana employees, employers, and the insurance industry to resolve disputes arising from work-related injuries and occupational diseases. The Court is attached to the department for administrative purposes only.

Language Recommendations - "The workers' compensation court is appropriated up to \$20,000 state special revenue for the 2011 biennium to contract for replacement judges when the workers' compensation judge must recuse himself from a case. The appropriation is contingent on passage and approval of LC 683."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.00	0.00	1.00	7.00	0.00	1.00	7.00
Personal Services	448,278	(17,040)	48,467	479,705	(16,810)	48,491	479,959
Operating Expenses	138,489	43,988	5,501	187,978	45,087	5,812	189,388
Total Costs	\$586,767	\$26,948	\$53,968	\$667,683	\$28,277	\$54,303	\$669,347
State/Other Special	586,767	26,948	53,968	667,683	28,277	54,303	669,347
Total Funds	\$586,767	\$26,948	\$53,968	\$667,683	\$28,277	\$54,303	\$669,347

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,689	\$0
FY 2011	\$39,556	\$0

PL- 901 - Workers Comp Court Operating Increase -

This request of \$38,689 in FY 2010 and \$39,556 in FY 2011 is for indirect costs to support the Centralized Services Division, off-campus rent increase, and contracted services. The funding source is state special revenue.

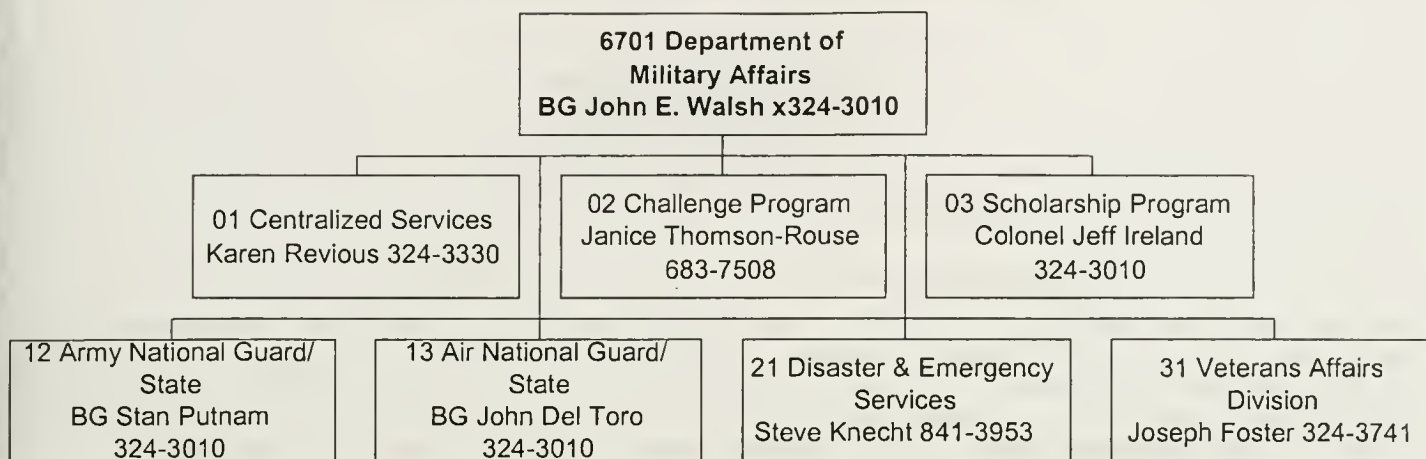
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$53,968	\$0
FY 2011	\$54,303	\$0

NP- 902 - Judicial Clerical Clerk FTE -

This proposal includes \$53,968 in FY 2010 and \$54,303 in FY 2011 state special revenue funding for 1.00 FTE to perform clerical duties within the court and indirect costs. Duties this position will perform include writing and formatting the court's administrative rules, docking court files, updating and maintaining the court's website, and keeping the court's statistical information current.

DEPT OF MILITARY AFFAIRS-6701

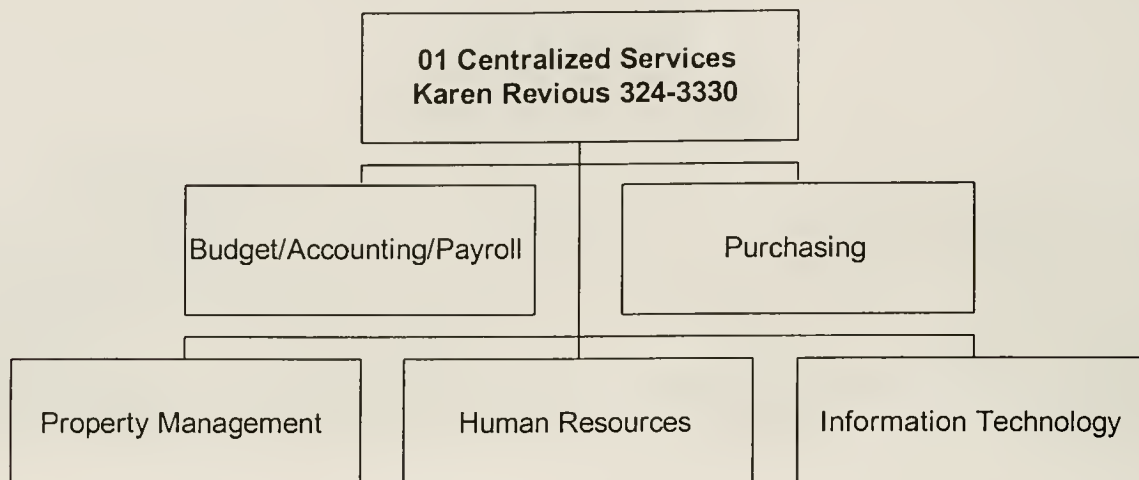


Mission Statement - To provide for safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

Statutory Authority - Article I, U.S. Constitution; Article VI, Section 13, Montana Constitution; Title 10, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	182.15	7.50	3.00	192.65	7.50	3.00	192.65
Personal Services	9,331,043	1,099,807	94,170	10,525,020	1,142,701	94,203	10,567,947
Operating Expenses	15,431,921	603,761	290,870	16,326,552	777,371	289,971	16,499,263
Equipment & Intangible Assets	273,976	50,000	0	323,976	50,000	0	323,976
Grants	1,287,008	147,970	12,179,453	13,614,431	147,970	12,179,453	13,614,431
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$26,326,228	\$1,901,538	\$12,564,493	\$40,792,259	\$2,118,042	\$12,563,627	\$41,007,897
General Fund	5,345,653	253,290	124,369	5,723,312	364,572	124,066	5,834,291
State/Other Special	1,004,215	424,318	121	1,428,654	393,699	105	1,398,019
Federal Special	19,976,360	1,223,930	12,440,003	33,640,293	1,359,771	12,439,456	33,775,587
Total Funds	\$26,326,228	\$1,901,538	\$12,564,493	\$40,792,259	\$2,118,042	\$12,563,627	\$41,007,897

**DEPT OF MILITARY AFFAIRS-6701
CENTRALIZED SERVICES DIVISION-01**



Program Description - The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	11.20	0.00	0.00	11.20	0.00	0.00	11.20
Personal Services	670,827	130,712	0	801,539	131,949	0	802,776
Operating Expenses	91,829	4,424	452	96,705	27	389	92,245
Equipment & Intangible Assets	1,291	0	0	1,291	0	0	1,291
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$766,227	\$135,136	\$452	\$901,815	\$131,976	\$389	\$898,592
General Fund	548,684	118,648	452	667,784	115,132	389	664,205
Federal Special	217,543	16,488	0	234,031	16,844	0	234,387
Total Funds	\$766,227	\$135,136	\$452	\$901,815	\$131,976	\$389	\$898,592

-----New Proposals-----

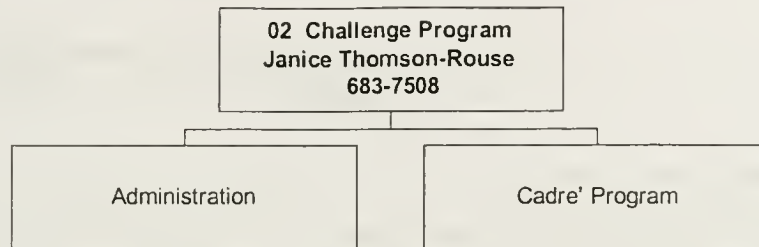
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$452	\$452
FY 2011	\$389	\$389

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$452 in FY 2010 and \$389 in FY 2011 general fund for the Centralized Services Division allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701

CHALLENGE PROGRAM-02



Program Description - The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	47.65	1.50	0.00	49.15	1.50	0.00	49.15
Personal Services	2,060,522	83,561	0	2,144,083	90,455	0	2,150,977
Operating Expenses	1,110,658	81,034	2,499	1,194,191	72,336	2,167	1,185,161
Total Costs	\$3,171,180	\$164,595	\$2,499	\$3,338,274	\$162,791	\$2,167	\$3,336,138
General Fund	1,251,661	59,242	999	1,311,902	58,278	866	1,310,805
Federal Special	1,919,519	105,353	1,500	2,026,372	104,513	1,301	2,025,333
Total Funds	\$3,171,180	\$164,595	\$2,499	\$3,338,274	\$162,791	\$2,167	\$3,336,138

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,356	\$15,342
FY 2011	\$38,364	\$15,346

PL- 201 - Improve ChalleNGE Recruiting Efforts -

The executive recommends \$38,356 in FY2010 and \$38,364 in FY 2011 in additional general fund and federal special revenue funding for 1.00 FTE to improve Montana Youth Challenge Program (MYCP) recruiting efforts. Due to the large size of the state and the limited number of recruiters in the program, the program has been unable to generate adequate applications for entry into the MYCP. Lack of applications has adversely affected the graduation rates and the viability of the program. It is essential to add another recruiter to work with high schools and parents in several locations to give youth who drop out of high school a second chance. The 2005 Legislative Audit identified that in the Billings, Bozeman, Butte, Missoula, and Kalispell/Flathead Valley areas of the state and the Crow, Rocky Boy's, and Flathead Indian Reservations, the program's recruitment rates were less than the drop out rate. The audit recommended that the program analyze program recruitment data and target recruitment resources based on the student drop out rate for individual high school districts.

DEPT OF MILITARY AFFAIRS-6701 CHALLENGE PROGRAM-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$35,000	\$14,000
FY 2011	\$35,000	\$14,000

PL- 202 - Funding for ChalleNGe 24/7 Overtime -

The budget includes \$35,000 general fund and federal special revenue funding each year of the biennium to support overtime, holidays worked, and comp time costs for the Montana Youth Challenge program. These costs are zero base and are not included in the program's base budget. These costs are incurred because the program is required to have staff coverage 24 hours a day, 7 days a week.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$18,833	\$7,533
FY 2011	\$18,836	\$7,533

PL- 203 - Challenge Mentoring Activity Support -

The executive recommends \$18,833 in FY 2010 and \$18,836 in FY 2011 general fund and federal special revenue funding to add 0.50 FTE to serve as a case manager for mentoring activities for the Montana Youth Challenge Program. The program currently has 2.50 FTE who are case managers responsible for managing the mentoring caseload of the two post residential classes as well as placement and mentoring activities of the current residential class.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$
FY 2011	\$50,000	\$

PL- 204 - Federal Spending Authority for Challenge Training -

This request is for \$50,000 of 100% federal spending authority each year of the biennium for ChalleNGe employees to participate in essential training classes required by National Guard Bureau. These federal funds do not require any state matching funds.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,499	\$999
FY 2011	\$2,167	\$866

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,499 in FY 2010 and \$2,167 in FY 2011 federal special revenue and general fund for the Challenge Program's allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701 SCHOLARSHIP PROGRAM-03

03 Scholarship Program
Colonel Jeff Ireland
324-3010

Administration

Program Description - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	250,000	0	0	250,000	0	0	250,000
Total Costs	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000
General Fund	250,000	0	0	250,000	0	0	250,000
Total Funds	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000

DEPT OF MILITARY AFFAIRS-6701 STARBASE-04

Program Description - The Montana STARBASE "Big Sky" Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology by exposing them and their teachers to real world applications of math and science through experimental learning, simulations, experiments in aviation and space-related fields as it deals with a technological environment and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self-esteem, and life skills with a math and science based program. The program implements policies, responsibilities, and procedures for execution of the program under the authority of Section 2193b of Title 10, United States Code and Department of Defense Instruction, 1025.7.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	95,963	116,987	0	212,950	117,046	0	213,009
Operating Expenses	154,039	3,528	81	157,648	2,813	70	156,922
Total Costs	\$250,002	\$120,515	\$81	\$370,598	\$119,859	\$70	\$369,931
Federal Special	250,002	120,515	81	370,598	119,859	70	369,931
Total Funds	\$250,002	\$120,515	\$81	\$370,598	\$119,859	\$70	\$369,931

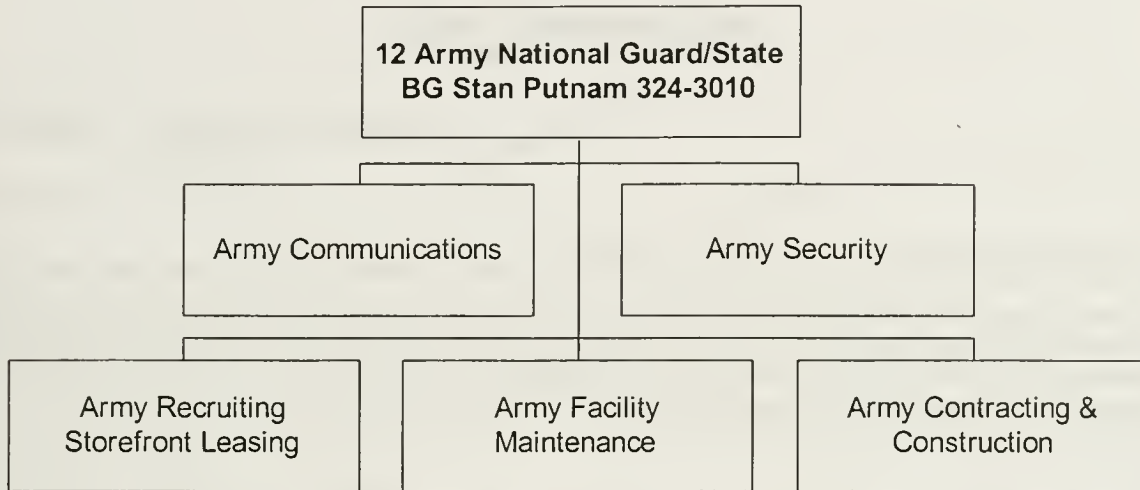
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$81	\$0
FY 2011	\$70	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$81 in FY 2010 and \$70 in FY 2011 federal special revenue for the Starbase Program's allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PGM-12**



Program Description - The Army National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	37.30	4.00	0.00	41.30	4.00	0.00	41.30
Personal Services	2,098,036	320,322	0	2,418,358	324,481	0	2,422,517
Operating Expenses	11,385,229	188,386	1,410	11,575,025	422,114	1,224	11,808,567
Equipment & Intangible Assets	254,955	50,000	0	304,955	50,000	0	304,955
Total Costs	\$13,738,220	\$558,708	\$1,410	\$14,298,338	\$796,595	\$1,224	\$14,536,039
General Fund	1,191,692	73,701	142	1,265,535	192,050	124	1,383,866
Federal Special	12,546,528	485,007	1,268	13,032,803	604,545	1,100	13,152,173
Total Funds	\$13,738,220	\$558,708	\$1,410	\$14,298,338	\$796,595	\$1,224	\$14,536,039

DEPT OF MILITARY AFFAIRS-6701 ARMY NATIONAL GUARD PGM-12

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$96,199	\$28,41
FY 2011	\$285,134	\$85,25

PL- 1201 - Operational Support for New ARNG Facilities -

The budget includes \$96,199 in FY 2010 and \$285,134 in FY 2011 general fund and federal special revenue funding to support the operational costs of Army National Guard facilities that will come on-line after the base year. This funding is to provide a basic level of janitorial services, utilities, ground maintenance, and code required inspections such as fire sprinkler, fire alarm, and kitchen hood inspections. An additional 80% federally funded FTE is needed to maintain the additional square footage and bring our maintenance staff closer to the necessary level for adequate maintenance of the facilities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$209,596	\$
FY 2011	\$209,656	\$

PL- 1202 - 100% Federal Support for National Guard Operations -

This request of \$209,596 in FY 2010 and \$209,656 in FY 2011 federal special revenue funding will allow the department to hire 3.00 FTE and operations funding to support the Army National Guard (ARNG) mission. 1.00 FTE will provide supervision for the Geographic Information Systems employees while the other 2.00 FTE will replace contracted services for weapons vault and supply room alarm systems. Replacing contracted security services with 2.00 FTE will save the program approximately \$30,000 per year.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,410	\$14
FY 2011	\$1,224	\$12

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 200 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,410 in FY 2010 and \$1,224 in FY 2011 federal special revenue and general fund for the Army National Guard's allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701 AIR NATIONAL GUARD PGM-13

13 Air National Guard/State
BG John Del Toro 324-3010

Administration

Facility Maintenance

Fire Fighters

Security Contracting

Program Description - The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	34.00	0.00	0.00	34.00	0.00	0.00	34.00
Personal Services	1,992,722	184,077	0	2,176,799	207,190	0	2,199,912
Operating Expenses	1,756,659	47,276	1,330	1,805,265	45,265	1,154	1,803,078
Total Costs	\$3,749,381	\$231,353	\$1,330	\$3,982,064	\$252,455	\$1,154	\$4,002,990
General Fund	351,740	23,658	70	375,468	24,117	61	375,918
Federal Special	3,397,641	207,695	1,260	3,606,596	228,338	1,093	3,627,072
Total Funds	\$3,749,381	\$231,353	\$1,330	\$3,982,064	\$252,455	\$1,154	\$4,002,990

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$329,254	\$0
FY 2011	\$341,844	\$0

L- 1301 - Federal Spending Authority for ANG Firefighter OT -

The budget includes \$329,254 in FY 2010 and \$341,844 in FY 2011 federal special revenue funding to restore overtime and benefit costs incurred by the Air National Guard firefighters in Great Falls at FY 2008 base levels. Overtime costs are zero based and must be reestablished each biennium.

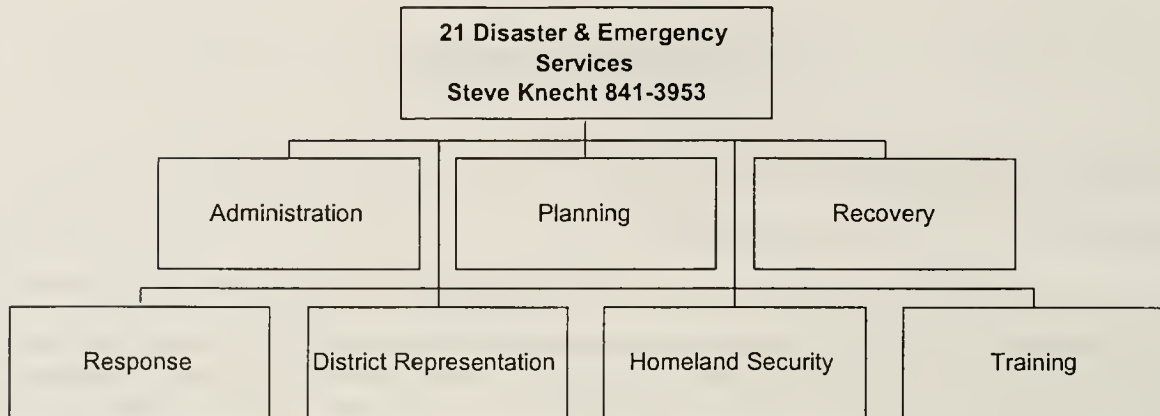
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,330	\$70
FY 2011	\$1,154	\$61

P- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,330 in FY 2010 and \$1,154 in FY 2011 federal special revenue and general fund for the Air National Guard's allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701 DISASTER & EMERGENCY SERVICES-21



Program Description - The Disaster and Emergency Services Division duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24-hour-a-day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of a incident, emergency, or disaster.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	23.00	0.00	0.00	23.00	0.00	0.00	23.00
Personal Services	1,177,516	183,266	0	1,360,782	187,742	0	1,365,258
Operating Expenses	317,232	109,951	256,824	684,007	69,104	256,771	643,107
Grants	1,287,008	147,970	12,179,453	13,614,431	147,970	12,179,453	13,614,431
Total Costs	\$2,781,756	\$441,187	\$12,436,277	\$15,659,220	\$404,816	\$12,436,224	\$15,622,796
General Fund	1,046,158	(89,699)	383	956,842	(92,869)	332	953,621
State/Other Special	90,471	242,014	0	332,485	212,013	0	302,484
Federal Special	1,645,127	288,872	12,435,894	14,369,893	285,672	12,435,892	14,366,691
Total Funds	\$2,781,756	\$441,187	\$12,436,277	\$15,659,220	\$404,816	\$12,436,224	\$15,622,796

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$242,029	\$0
FY 2011	\$212,029	\$0

PL- 2101 - State Special Revenue Spending Authority -

The executive requests an increase in state spending authority of \$242,029 in FY 2010 and \$212,029 in FY 2011 to provide necessary reimbursements through the Emergency Management Assistance Compact and account for expenditures at the annual Governor's Emergency Preparedness Summit. A portion of this additional authority will also be used to reimburse county sheriffs and local search and rescue units for expenses related to search and rescue missions, training, and equipment.

DEPT OF MILITARY AFFAIRS-6701 DISASTER & EMERGENCY SERVICES-21

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$19,537	\$9,769
FY 2011	\$19,537	\$9,769

L- 2103 - DES Duty Officer Overtime -

The budget includes \$19,537 general fund and federal special revenue funding each year of the biennium to restore overtime to FY 2008 base levels for DES Duty Officers to provide 24 hour, 7 day a week disaster and emergency response. Overtime is zero based and must be reestablished each biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,435,390	\$0
FY 2011	\$12,435,455	\$0

P- 2102 - Additional Federal Spending Authority -

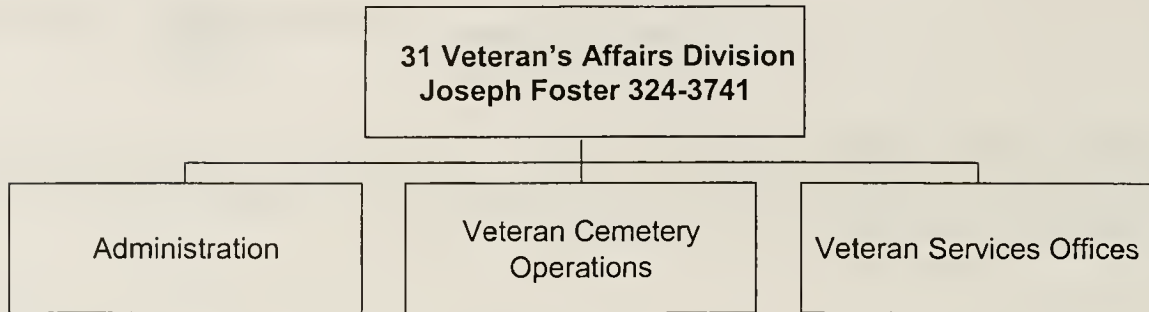
Montana Disaster and Emergency Services (DES) is the State Administrative Agency for various FEMA and Homeland Security grants. The receipt of these grants does not always align with the budgeting cycle. In an effort to integrate these grants into the budget cycle, DES is requesting the spending authority to execute these grants so the department does not have to submit budget amendment requests outside the legislative budgeting process. Total request is for \$24,870,845 federal special revenue authority in the 2011 biennium with \$511,939 for operating expenses and \$24,358,906 for grants. Anticipated grants for the 2011 biennium are: Homeland Security Grant, Buffer Zone Protection Program, Interoperable Emergency Communications Program, Hazardous Materials Emergency Preparedness Grant, Montegarden, and the Comprehensive Environmental Response, Compensation and Liability Act.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$887	\$383
FY 2011	\$769	\$332

P- 61010 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$887 in FY 2010 and \$769 in FY 2011 federal special revenue and general fund for the Disaster and Emergency Services' allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701 VETERANS AFFAIRS PROGRAM-31



Program Description - The Veteran's Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison, in Helena and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	25.00	2.00	3.00	30.00	2.00	3.00	30.00
Personal Services	1,235,457	80,882	94,170	1,410,509	83,838	94,203	1,413,498
Operating Expenses	366,275	169,162	28,274	563,711	165,712	28,196	560,183
Equipment & Intangible Assets	17,730	0	0	17,730	0	0	17,730
Total Costs	\$1,619,462	\$250,044	\$122,444	\$1,991,950	\$249,550	\$122,399	\$1,991,411
General Fund	705,718	67,740	122,323	895,781	67,864	122,294	895,876
State/Other Special	913,744	182,304	121	1,096,169	181,686	105	1,095,535
Total Funds	\$1,619,462	\$250,044	\$122,444	\$1,991,950	\$249,550	\$122,399	\$1,991,411

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$220,405	\$0
FY 2011	\$220,499	\$0

PL- 3101 - VA Cemetery Operations Support -

This Executive Branch request is for \$220,405 in FY 2010 and \$220,499 in FY 2011 state special revenue spending authority and 2.00 FTE to support the operations and maintenance of the Montana State Veterans Cemeteries located at Fort Harrison in Helena, Eastern Montana State Veterans Cemetery in Miles City, and the new Western Montana State Veterans Cemetery in Missoula. The requested 2.00 FTE will operate and maintain the newly constructed Western Montana State Veterans Cemetery in Missoula.

**DEPT OF MILITARY AFFAIRS-6701
VETERANS AFFAIRS PROGRAM-31**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$121,436	\$121,436
FY 2011	\$121,525	\$121,525

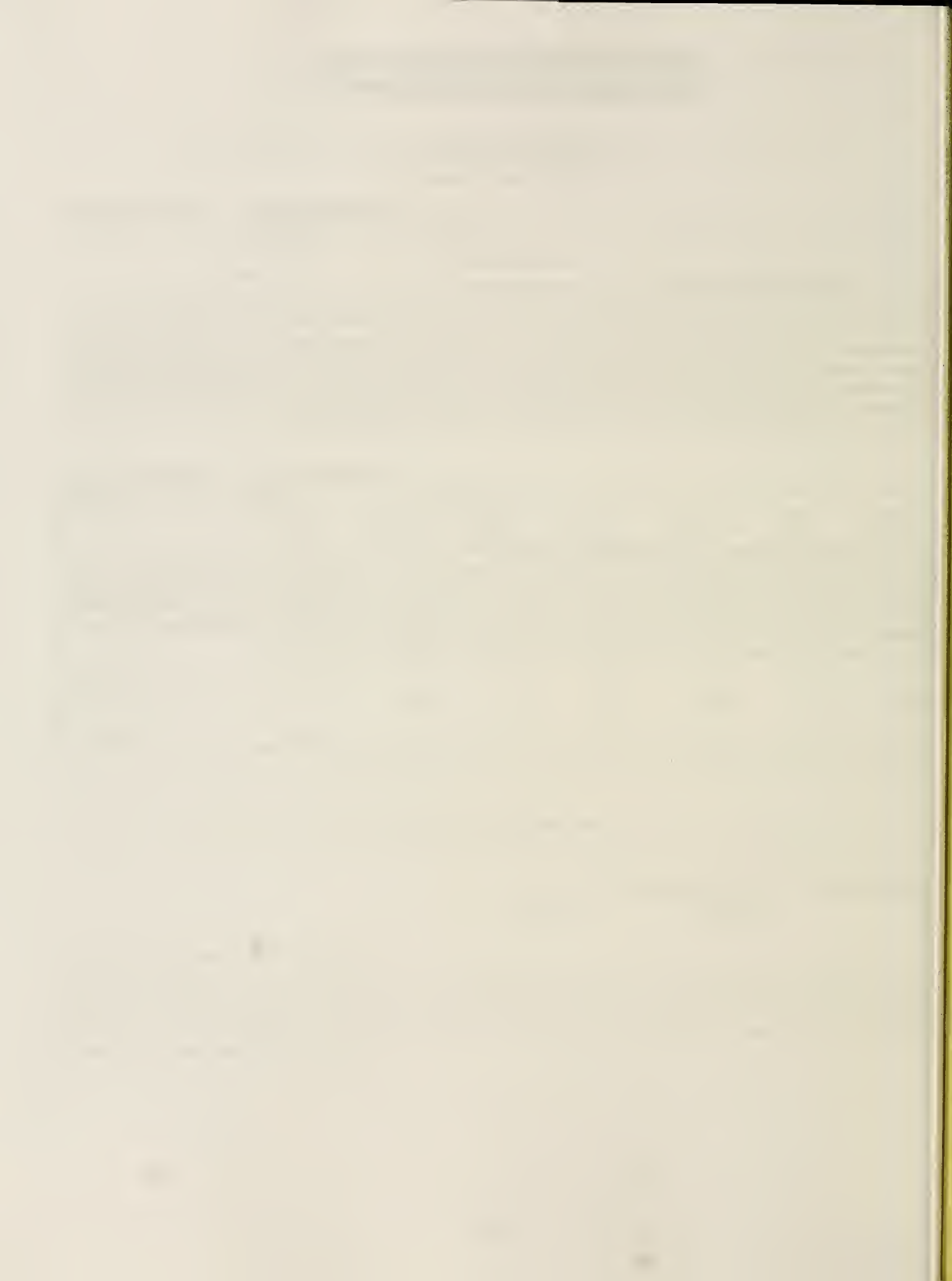
P- 3102 - Expand and Enhance Statewide Veterans Services -

The executive recommends 3.00 FTE and operating funds to provide better service to the state's veterans at a general fund cost of \$121,436 in FY 2010 and \$121,525 in FY 2011. The "signature" disabilities associated with the continual flux of Global War on Terror veterans is post traumatic stress disorder and traumatic brain injury. Further, the average number of disabilities has increased to ten per veteran claim, from an average of 4 in 2000. The increasing quantity and complexity of veterans disability claims mandates a proportional increase in the State of Montana's capability of serving our veterans. Therefore, the request includes 3.00 FTE to better serve Montana's veteran population. The positions could be Veterans Service Officers, and would be stationed in Polson, Billings, and Helena.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,008	\$887
FY 2011	\$874	\$769

P- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,008 in FY 2010 and \$874 in FY 2011 state special revenue and general fund for the Veterans Affairs Program's allocation of the fixed cost.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION B: PUBLIC HEALTH & HUMAN SERVICES

Department of Public Health & Human Services

OBPP Staff:

Pat Sullivan
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Ryan Evans

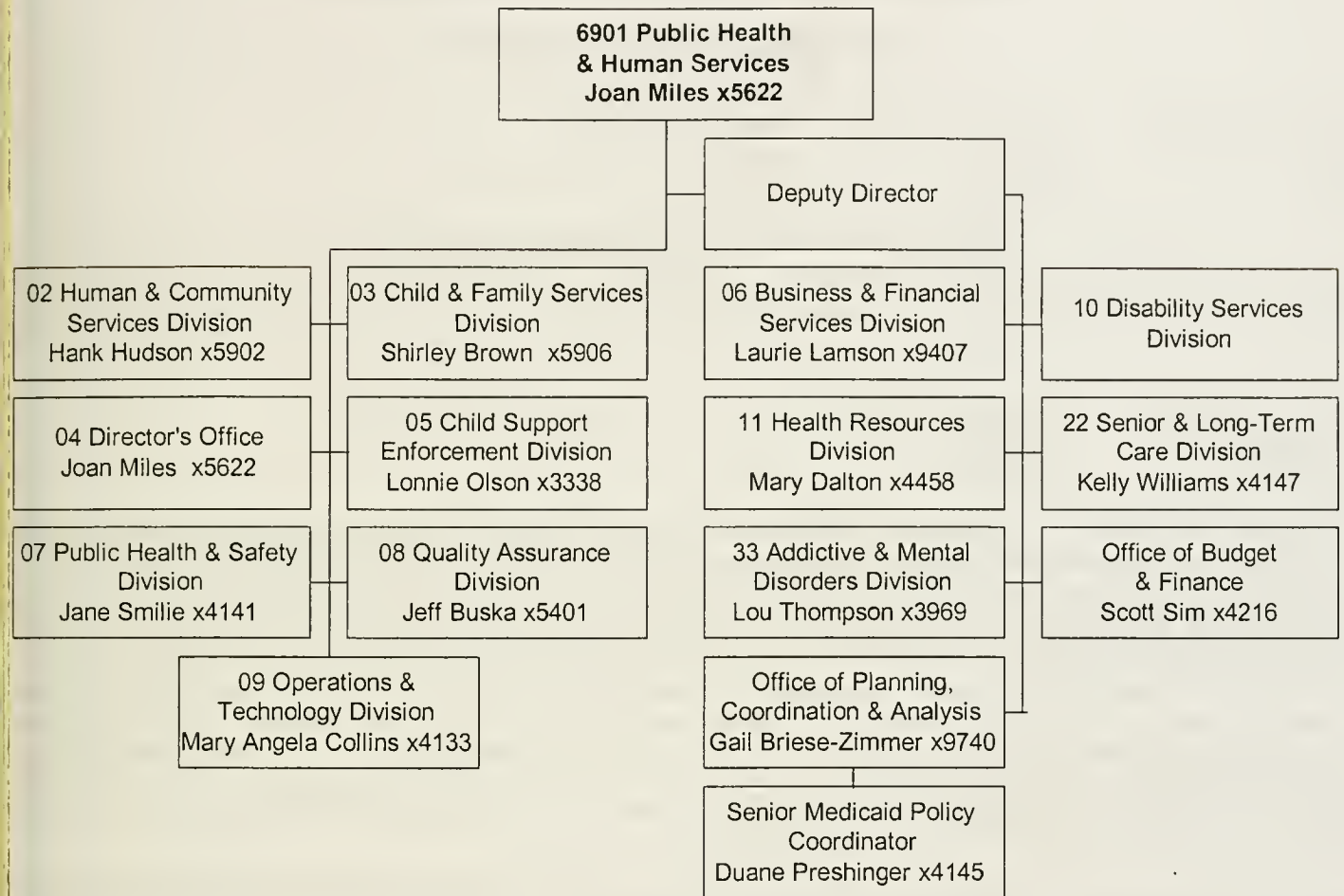
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



PUBLIC HEALTH & HUMAN SERVICES-6901



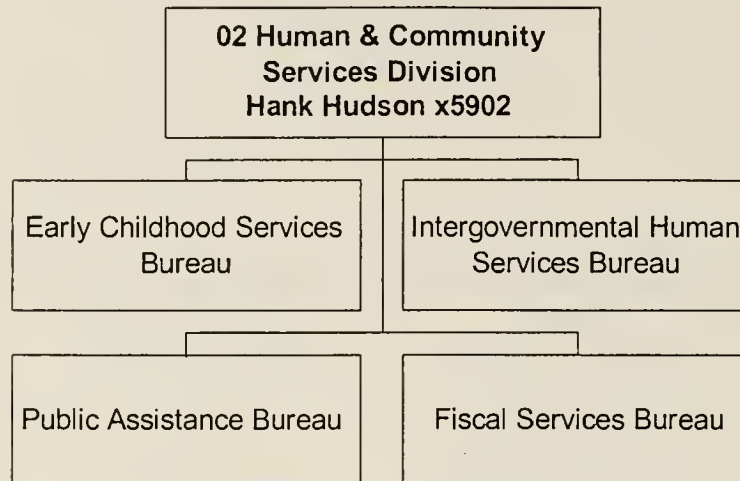
Mission Statement - Improving and Protecting the Health, Well-Being and Self-Reliance of All Montanans

Statutory Authority - 2-15-2201, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2,892.38	68.25	42.80	3,003.43	73.25	44.30	3,009.93
Personal Services	142,108,302	21,152,068	2,214,639	165,475,009	22,120,525	2,411,898	166,640,725
Operating Expenses	96,844,794	5,917,542	2,703,022	105,465,358	5,377,701	3,231,746	105,454,241
Equipment & Intangible Assets	1,319,488	50,000	150,000	1,519,488	0	150,000	1,469,488
Grants	67,336,765	2,657,333	6,527,175	76,521,273	2,663,283	5,956,756	75,956,804
Benefits & Claims	1,049,202,540	191,109,619	15,254,157	1,255,566,316	244,906,504	23,980,803	1,318,089,847
Debt Service	510,379	6,400	0	516,779	6,400	0	516,779
Total Costs	\$1,357,322,268	\$220,892,962	\$26,848,993	\$1,605,064,223	\$275,074,413	\$35,731,203	\$1,668,127,884
General Fund	348,225,059	50,786,768	11,368,559	410,380,386	64,501,778	14,137,207	426,864,044
State/Other Special	106,278,801	34,444,679	3,336,760	144,060,240	39,752,255	3,542,368	149,573,424
Federal Special	902,818,408	135,661,515	12,143,674	1,050,623,597	170,820,380	18,051,628	1,091,690,416
Total Funds	\$1,357,322,268	\$220,892,962	\$26,848,993	\$1,605,064,223	\$275,074,413	\$35,731,203	\$1,668,127,884

PUBLIC HEALTH & HUMAN SERVICES-6901

HUMAN AND COMMUNITY SERVICES-02



Program Description - The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau administers Montana's Temporary Assistance to Needy Families (TANF) program and the Refugee Assistance program. The bureau also provides eligibility services for Medicaid and Food Stamps.

The Early Childhood Services Bureau: manages the funds which pay for child care for TANF participants and low-income working families; contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment, and technical assistance; administers the Child and Adult Care Food Program which provides reimbursement to child care providers for the cost of meals served to eligible children and adults; administers the Head Start State Collaboration grant; administers the Early Childhood Comprehensive Systems Grant; and manages the funds which pay for quality child care initiatives including professional development.

The Intergovernmental Human Services Bureau administers: the Community Services block grant which is used by 10 Human Resource Development Councils to provide a wide range of community-based human services; the Low-Income Energy Assistance Program and Weatherization program; the DOE Weatherization program including funding for weatherization from five other sources; the Emergency Shelter grants program; the Housing Opportunities for Persons with AIDS grant; and three USDA commodities programs. In addition, the bureau stores and distributes USDA commodity foods to elderly feeding sites, and stores USDA commodity foods for school lunch programs.

The Fiscal Services Bureau coordinates implementation and monitoring of the division's budget.

Statutory authority is in Title 53, Chapter 2, MCA, and 45 CFR.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	453.81	5.00	2.50	461.31	10.00	2.50	466.31
Personal Services	20,996,536	1,572,404	129,699	22,698,639	1,875,315	129,798	23,001,649
Operating Expenses	6,546,411	540,799	0	7,087,210	628,728	0	7,175,139
Equipment & Intangible Assets	90,587	0	0	90,587	0	0	90,587
Grants	18,982,880	362,000	2,125,000	21,469,880	368,000	2,125,000	21,475,880
Benefits & Claims	161,658,613	23,350,389	500,000	185,509,002	32,693,887	500,000	194,852,500
Total Costs	\$208,275,027	\$25,825,592	\$2,754,699	\$236,855,318	\$35,565,930	\$2,754,798	\$246,595,755
General Fund	30,521,552	1,894,538	325,000	32,741,090	3,373,656	325,000	34,220,208
State/Other Special	1,211,152	67,885	0	1,279,037	69,679	0	1,280,831
Federal Special	176,542,323	23,863,169	2,429,699	202,835,191	32,122,595	2,429,798	211,094,716
Total Funds	\$208,275,027	\$25,825,592	\$2,754,699	\$236,855,318	\$35,565,930	\$2,754,798	\$246,595,755

PUBLIC HEALTH & HUMAN SERVICES-6901 HUMAN AND COMMUNITY SERVICES-02

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$500,000	\$0
FY 2011	\$750,000	\$0

PL- 20001 - Child and Adult Care Food Program PL Adjustment -

The Child and Adult Care Food Program (CACFP) is requesting additional federal authority in the amount of \$500,000 for SFY 2010 and \$750,000 for SFY 2011. These requests reflect estimates based on the historical average annual rate increase in program reimbursement rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$949,321	\$949,321
FY 2011	\$2,231,230	\$2,231,230

PL- 20002 - Child Care FPI, Market Rate, Caseload, Inc. -

Child Care Match is requesting general fund authority in the amount of \$949,321 for FY 2010 and \$2,231,230 for FY 2011 for a total of \$3,180,551 over the biennium. Specific components of the Child Care Match program include: 1) maintaining child care reimbursement rates for parents at the 75th percentile of the annual market rate survey; 2) maintaining eligibility at 150% of the current federal poverty level; and 3) maintaining caseload for low income working parents.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,800,235	\$0
FY 2011	\$2,342,084	\$0

PL- 20005 - TANF Cash Benefit Increase -

This present law adjustment requests \$4,142,319 federal appropriation authority for the biennium to fund a projected 3% increase per year in the case load of TANF benefit recipients and to increase the benefit level from 33% of the 2007 federal poverty level to 33% of the 2009 federal poverty level. Eligibility for the TANF program will remain at 30% of the 2002 federal poverty level.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$273,876	\$133,898
FY 2011	\$310,072	\$151,595

PL- 20006 - OPA Offices and Central Office Rent Increases -

The division requests \$273,876 for rental increases in SFY 2010 and \$310,072 in SFY 2011. The biennial amount of general fund being requested is \$285,493. Rental costs for buildings administered by the Department of Administration are automatically increased as part of the fixed-cost adjustment each biennium. The Offices of Public Assistance and HCSD central office rental leases do not fall within the scope of these buildings and do not receive the fixed-cost adjustment. Offices in 22 counties will have rental increases in accordance with established lease agreements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$317,306	\$146,995
FY 2011	\$587,672	\$287,683

PL- 20007 - Field Eligibility Staff Increase -

This request adds 5.00 FTE to the Offices of Public Assistance in the first year of the biennium and an additional 5.00 FTE in the second year. The request also would annualize the Chippewa Cree of Rocky Boy's Reservation Medicaid eligibility program. In total, this decision package would require a biennial budget increase of \$904,978 of cost-allocated authority. The general fund authority would be \$434,678 for the biennium.

PUBLIC HEALTH & HUMAN SERVICES-6901 HUMAN AND COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$19,101,129	\$0
FY 2011	\$26,358,501	\$0

PL- 20008 - SNAP/Food Stamp Benefits -

This present law adjustment requests \$45,459,630 federal appropriation authority for the biennium to fund the anticipated caseload and poverty level adjustments. From July 2001 to October 2008, the SNAP/food stamp benefit cases have increased from 27,120 cases per month to 36,321 cases per month. This represents a 33.9% increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$466,704	\$0
FY 2011	\$485,072	\$0

PL- 20011 - Child Care for Working Caretaker Relatives -

This present law adjustment requests \$951,766 of federal spending authority for the 2011 biennium to provide child care for working caretaker relatives of eligible children for the TANF child-only grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,010,000	\$0
FY 2011	\$1,010,000	\$0

PL- 20015 - IHSB Present Law Increases -

This is a present law adjustment request by Intergovernmental Human Services Bureau (IHSB) to increase spending authority by \$1,010,000 for each year of the 2011 biennium for four federally funded grants and one state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$30,000	\$13,200
FY 2011	\$30,000	\$13,200

PL- 20018 - Restore Overtime/Holidays Worked -

This present law adjustment requests \$60,000 of spending authority for the 2011 biennium to restore zero-based overtime. Of the total, the portion of general fund requested is \$26,400 for the biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$52,693	\$0
FY 2011	\$52,764	\$0

NP- 20004 - Child Care Administration -

Early Childhood Services Bureau is requesting \$52,693 of federal funds in FY 2010 and \$52,764 of federal funds in FY 2011 for a Program Integrity FTE for the new federal error rate requirements including oversight, auditing, and program coordination.

PUBLIC HEALTH & HUMAN SERVICES-6901

HUMAN AND COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$300,000	\$0
FY 2011	\$300,000	\$0

NP- 20009 - TANF Second-Chance Homes -

The Human and Community Services Division is requesting \$300,000 of federal TANF block grant funds in each year of the 2011 biennium to support residential services to high-risk teen parents.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$77,006	\$0
FY 2011	\$77,034	\$0

NP- 20013 - IHSB Contract Monitoring and Preparation -

Federal authority of \$77,006 in FY 2010 and \$77,034 in FY 2011 is requested for personal services to support 1.50 FTE added for increased workload. A temporary position now provides monitoring and technical assistance to Human Resource Development Councils (HRDCs), tribes, and other contractors following the addition of several grants over the last four years. A position currently funded at half time is requested to be full time. The requirements of the job were doubled when the duties of preparing, tracking, and authorizing contracts were transferred to the bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,000,000	\$0
FY 2011	\$2,000,000	\$0

NP- 20017 - Family Economic Security Grant Program -

The department requests \$2,000,000 of federal TANF block grant funds in each year of the 2011 biennium to promote family economic security. This project utilizes financial literacy training, asset development, and education/training to assist in obtaining higher wages. This program will assist families to become financially secure.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$125,000	\$125,000
FY 2011	\$125,000	\$125,000

NP- 20018 - Montana Hunger Reduction OTO -

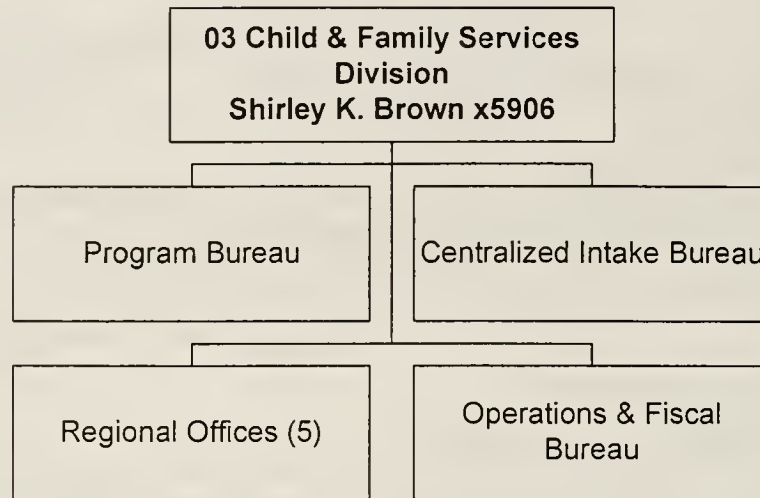
The Human and Community Services Division is requesting \$250,000 in one-time-only general fund authority for the 2011 biennium for hunger reduction in Montana. In consideration of the historic and turbulent calendar year 2008 economy, and its effects on the price of food, transportation of food, and food storage, these funds will be used to assist Montana food banks and other Montana food assistance entities to replenish food reserves and increase the availability of food to Montana residents in need.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP- 20019 - Low-Income Energy Assistance Program (LIEAP) OTO -

The Human and Community Services Division is requesting \$400,000 in one-time-only general fund authority for the 2011 biennium for low-income energy assistance. These funds will be used to either supplement low-income energy assistance benefits or to weatherize homes in an effort to defray heating costs for Montana families. As per the federal LIEAP set aside, Montana reservations will be eligible to access a portion of this funding.

**PUBLIC HEALTH & HUMAN SERVICES-6901
CHILD & FAMILY SERVICES-03**



Program Description - The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFSD is composed of three bureaus and five regional offices that administer program and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) computer system.

Statutory authority for the program is provided in Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	375.45	0.00	5.00	380.45	0.00	5.00	380.45
Personal Services	16,418,985	3,075,271	222,851	19,717,107	3,135,368	224,576	19,778,929
Operating Expenses	4,929,805	949,526	15,000	5,894,331	750,264	6,500	5,686,569
Equipment & Intangible Assets	20,790	50,000	0	70,790	0	0	20,790
Grants	5,090,365	1,214,000	53,141	6,357,506	1,214,000	51,441	6,355,806
Benefits & Claims	29,420,205	3,482,552	642,768	33,545,525	5,347,496	694,641	35,462,342
Debt Service	118,349	0	0	118,349	0	0	118,349
Total Costs	\$55,998,499	\$8,771,349	\$933,760	\$65,703,608	\$10,447,128	\$977,158	\$67,422,785
General Fund	28,708,419	5,455,434	893,276	35,057,129	6,325,660	924,669	35,958,748
State/Other Special	2,464,613	(57,073)	100,000	2,507,540	(57,074)	100,000	2,507,539
Federal Special	24,825,467	3,372,988	(59,516)	28,138,939	4,178,542	(47,511)	28,956,498
Total Funds	\$55,998,499	\$8,771,349	\$933,760	\$65,703,608	\$10,447,128	\$977,158	\$67,422,785

**PUBLIC HEALTH & HUMAN SERVICES-6901
CHILD & FAMILY SERVICES-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$110,368
FY 2011	\$0	\$176,887

PL- 30002 - FMAP Rate Decrease - Subsidized Adoption -

The Child and Family Services Division is requesting an increase of \$287,255 in general fund and a decrease of \$287,255 in federal funds for the 2011 biennium to address changes in the FMAP rate for Subsidized Adoption. The FMAP rate will decrease from 68.53% in FY 2008 to 67.42% in FY 2010 and 66.99% in FY 2011. The FMAP rate change will result in an increase in general fund of \$110,368 in FY 2010 and \$176,887 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$49,013
FY 2011	\$0	\$71,595

PL- 30003 - FMAP Rate Decrease - Foster Care -

The Child and Family Services Division is requesting an increase of \$120,608 in general fund and a decrease of \$120,608 in federal funds for the 2011 biennium to address changes in the FMAP rate for Foster Care. The FMAP rate will decrease from 68.53% in FY 2008 to 67.42% in FY 2010 and 66.99% in FY 2011. The FMAP rate change will result in an increase in general fund of \$49,013 in FY 2010 and \$71,595 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,077,930	\$582,082
FY 2011	\$1,641,268	\$886,285

PL- 30006 - Foster Care Caseload Increase -

The Child and Family Services Division is requesting a Foster Care Caseload Increase of \$1,468,367 general fund and \$1,250,831 federal funds for the 2011 biennium. This request is to increase the Foster Care program by 3% per year to account for a projected increase in the caseload.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,404,622	\$1,106,126
FY 2011	\$3,706,228	\$1,704,865

PL- 30007 - Subsidized Adoption Caseload Increase -

The Child and Family Services Division is requesting a Subsidized Adoption Caseload Increase of \$2,810,991 general fund and \$3,299,859 federal funds for the 2011 biennium. This request is to increase the Subsidized Adoption program by approximately 10% per year to account for a projected increase in the caseload. Projected caseload increases include: 10.4% from FY 2008 to FY 2009; 10.2% from FY 2009 to FY 2010, and; 9.6% from FY 2010 to FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$892,431	\$571,156
FY 2011	\$630,512	\$403,528

PL- 30008 - Rent Increases/New Office Moves/Move Costs -

Rent increases for Child and Family Services include \$974,684 of general fund and \$548,259 in federal funds for the 2011 biennium. This request is to add additional funding for rent paid for 39 local and regional offices for the Child and Family Services Division, including consolidation of the Helena offices at the new South Pointe building at a rate of \$23.13 in FY 2010 and \$23.36 in FY 11. The funding split for the biennium is estimated at 64% general fund and 36% federal funds.

PUBLIC HEALTH & HUMAN SERVICES-6901 CHILD & FAMILY SERVICES-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$243,362	\$162,322
FY 2011	\$243,362	\$162,322

PL- 30019 - Restore Overtime/Holidays Worked -

The Child and Family Services Division is requesting \$324,644 in general fund and \$162,080 in federal funds for the 2011 biennium for zero-based overtime compensation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,214,000	\$227,000
FY 2011	\$1,214,000	\$227,000

PL- 30020 - Annualization of Tribal General Fund -

In FY 2008, Child and Family Services Division renegotiated contracts with tribal entities. Many of these contracts were not signed until January, 2008, making some of the contracted dollars go unused. This request adds \$227,000 of general fund and \$987,000 of federal funds for each year of the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$64,658	\$64,658
FY 2011	\$64,658	\$64,658

PL- 30025 - Liability Insurance -

The Child and Family Services Division is requesting \$64,658 in general fund authority each year of the biennium, pursuant to HB 57 (2007 session), to purchase liability insurance for foster parents providing foster care or therapeutic foster care for youths under 18 years of age.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$500,000	\$500,000
FY 2011	\$500,000	\$500,000

NP- 30005 - Therapeutic Group Home Fund Switch -

The Child and Family Services Division is requesting \$1,000,000 in general fund for the 2011 biennium. Medicaid is changing its reimbursement policy such that Medicaid will now only reimburse for the therapeutic portion of care. Expenses associated with room and board will no longer be reimbursable. As a result, this will shift additional general fund costs to Child and Family Services Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$200,000
FY 2011	\$0	\$200,000

NP- 30009 - Guardianship - Loss of Federal Funds -

The Child and Family Services Division requests \$200,000 of general fund authority for each year of the 2011 biennium. Due to a decrease in federal funds available, this request will cover the expenses associated with maintaining cost neutrality for the division's guardianship demonstration project.

**PUBLIC HEALTH & HUMAN SERVICES-6901
CHILD & FAMILY SERVICES-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$237,851	\$152,224
FY 2011	\$231,076	\$147,888

NP- 30015 - New FTE Package -

Child and Family Services Division (CFSD) is requesting \$237,851 in FY 2010 and \$231,076 in FY 2011 for a total request of \$468,927 for the 2011 biennium. Of this request, the general fund portion for the 2011 biennium is \$300,112. This request is for the addition of 5.00 FTE to address an increased workload in Child Protective Services (CPS), Permanency Planning Specialists, Centralized Intake (CI), and Administrative Support.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$142,768	\$101,791
FY 2011	\$194,641	\$138,776

NP- 30016 - Provider Rate Increase - CFSD -

Child and Family Services Division is requesting \$240,567 general fund authority and \$96,842 federal fund authority for the 2011 biennium. This request is for a 1% per year rate increase for providers in the Foster Care program.

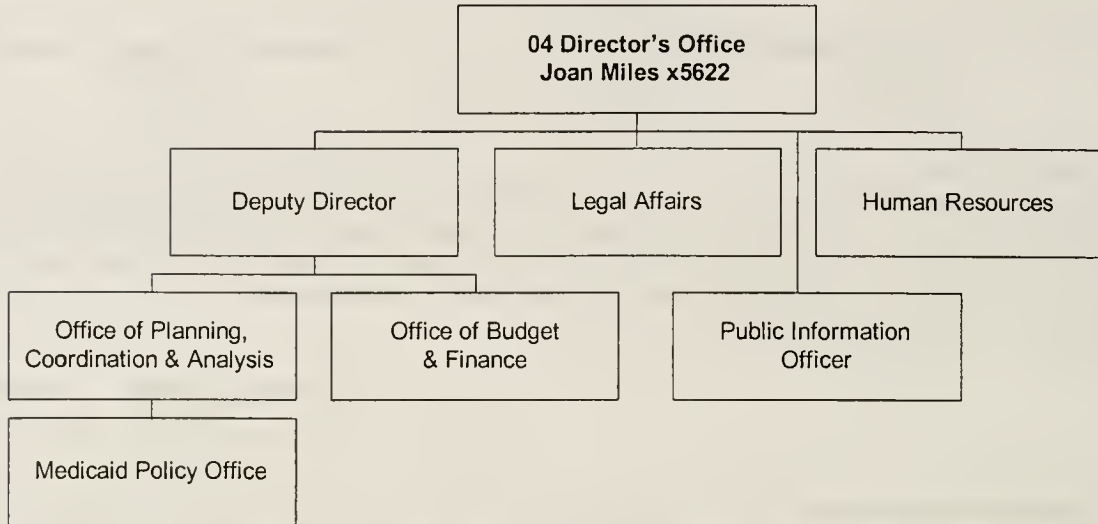
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$53,141	(\$60,739)
FY 2011	\$51,441	(\$61,995)

NP- 30024 - SSI Contracted Services for Transitional Kids -

The Child and Family Services Division (CFSD) is requesting a reduction of \$122,734 general fund, an increase of \$27,316 in federal funds and \$200,000 in state special funds for the 2011 biennium. This request is for contracted services for an SSI transitional worker.

PUBLIC HEALTH & HUMAN SERVICES-6901

DIRECTOR'S OFFICE-04



Program Description - Program Description - The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are the Deputy Director, state Medicaid director, legal affairs, personnel services, public information, the prevention resource center, the AmeriCorps*VISTA Program, the Office of Budget and Finance, and the Office of Planning, Coordination, and Analysis. The Department of Public Health and Human Services Statewide Advisory Council, the Native American Advisory Council, and the Montana Health Coalition are administratively attached and the director serves on the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

Statutory authority is in Title 2, Chapter 15, part 22 and Title 53, Chapter 19, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	48.25	0.00	5.00	53.25	0.00	5.00	53.25
Personal Services	4,117,859	(519,451)	263,785	3,862,193	(508,575)	263,870	3,873,154
Operating Expenses	7,584,904	25,616	175,057	7,785,577	28,086	149,931	7,762,921
Debt Service	3,657	0	0	3,657	0	0	3,657
Total Costs	\$11,706,420	(\$493,835)	\$438,842	\$11,651,427	(\$480,489)	\$413,801	\$11,639,732
General Fund	3,915,922	(206,482)	163,687	3,873,127	(200,167)	154,348	3,870,103
State/Other Special	379,129	(52,466)	30,149	356,812	(51,648)	28,427	355,908
Federal Special	7,411,369	(234,887)	245,006	7,421,488	(228,674)	231,026	7,413,721
Total Funds	\$11,706,420	(\$493,835)	\$438,842	\$11,651,427	(\$480,489)	\$413,801	\$11,639,732

**PUBLIC HEALTH & HUMAN SERVICES-6901
DIRECTOR'S OFFICE-04**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$98,719	\$36,822
FY 2011	\$85,594	\$31,927

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

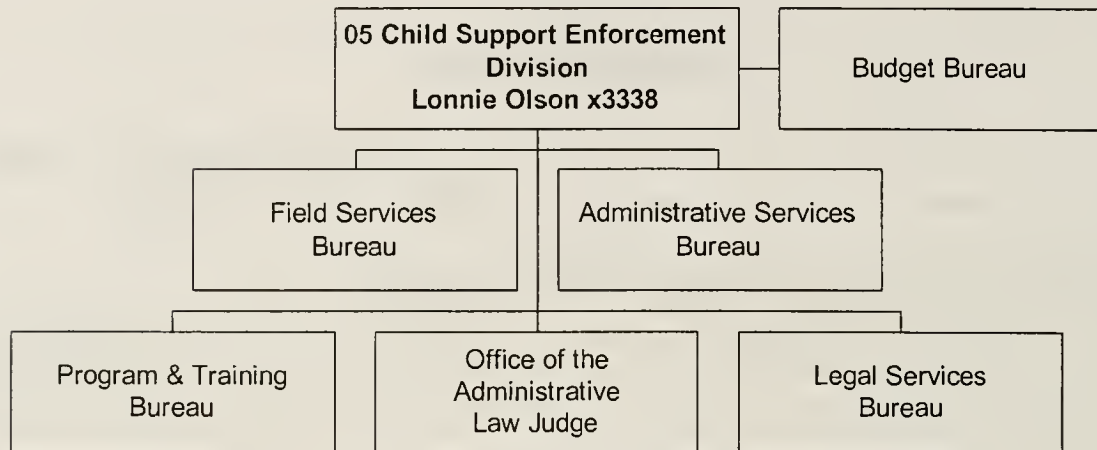
The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$36,822 general fund, \$6,782 state special revenue, and \$55,155 federal funds for a total of \$98,719 in FY 2010. In FY 2011 this will be funded with \$31,927 general funds, \$5,880 state special revenue, and \$47,787 federal funds for a total of \$85,594.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$340,123	\$126,865
FY 2011	\$328,207	\$122,421

NP- 40013 - Human Resources FTE -

This request is for 1.00 FTE for a human resource manager and 4.00 FTE for human resource specialists, for the Human Resource Unit, and also includes training expenses to bring in speakers and to travel to the institutions. A total of \$668,330 is requested for the biennium, including \$249,286 general fund, \$45,914 state special revenue, and \$373,130 federal funds.

PUBLIC HEALTH & HUMAN SERVICES-6901 CHILD SUPPORT ENFORCEMENT-05



Program Description - The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligate parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance and those not on assistance. Services are available to any applicant regardless of income level.

Activities carried out by program staff are authorized in Title 40, Chapter 5, MCA, and are mandated by the federal government in accordance with Title IV-D of the Social Security Act, 42 USC 651 et seq., and 45 CFR, Chapter 3.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	168.25	0.00	0.00	168.25	0.00	0.00	168.25
Personal Services	7,118,652	1,839,052	0	8,957,704	1,874,765	0	8,993,417
Operating Expenses	2,190,718	329,202	0	2,519,920	335,053	0	2,525,771
Debt Service	59,015	0	0	59,015	0	0	59,015
Total Costs	\$9,368,385	\$2,168,254	\$0	\$11,536,639	\$2,209,818	\$0	\$11,578,203
General Fund	2,168,548	1,687,322	0	3,855,870	1,701,262	0	3,869,810
State/Other Special	1,605,373	73,692	0	1,679,065	79,307	0	1,684,680
Federal Special	5,594,464	407,240	0	6,001,704	429,249	0	6,023,713
Total Funds	\$9,368,385	\$2,168,254	\$0	\$11,536,639	\$2,209,818	\$0	\$11,578,203

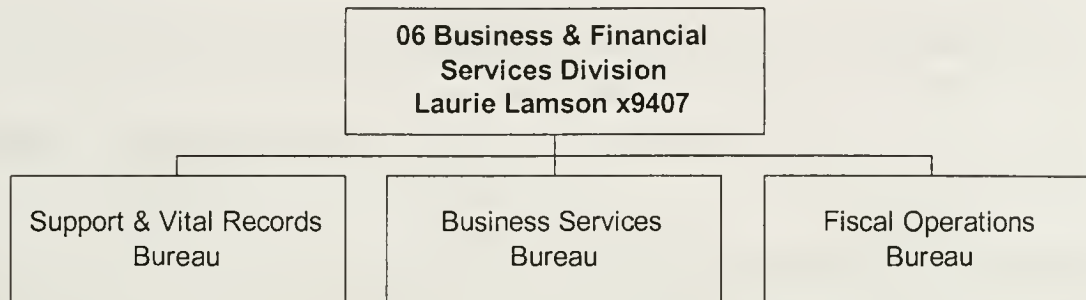
-----Present Law Adjustments-----

	Total Agency Impact	General Fund Total
FY 2010	\$318,173	\$108,173
FY 2011	\$323,083	\$109,843

PL- 50002 - Child Support Enforcement Rent Increase -

This request is for inflationary increases in rent for FY 2010 and FY 2011. The total request is for \$641,256 over the biennium, consisting of \$218,027 general fund and \$423,229 federal funds. This includes rent at the new South Pointe building at a rate of \$23.13 per square foot in FY 2010, with an increase of 1% in FY 2011. Costs related to South Pointe total \$599,816, made up of \$203,937 in general fund and \$395,878 in federal funds for the biennium.

**PUBLIC HEALTH & HUMAN SERVICES-6901
BUSINESS & FINANCIAL SERVICES DIVISION-06**



Program Description - Business and Financial Services Division (BFSD) provides support services for the department, including financial and accounting oversight, cash management, preparation and filing of federal reports, purchasing supplies and equipment, payroll processing, audit coordination, lease management, mail handling, management of vital records and statistics, property management, and records management. BFSD also provides leadership and guidance in the development and implementation of accounting policies and procedures and best business practices.

The division's funding is a complex mixture of state and federal funds determined by ratios associated with total departmental funding. Approximately 50 percent of the funding comes from federal sources.

Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92, Subpart C92.2, and Title 50 Chapter 15 MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	76.50	0.00	3.00	79.50	0.00	3.00	79.50
Personal Services	3,706,204	219,893	127,614	4,053,711	238,835	127,658	4,072,697
Operating Expenses	5,867,559	234,641	24,809	6,127,009	(260,808)	86,823	5,693,574
Equipment & Intangible Assets	0	0	0	0	0	0	0
Debt Service	32,585	0	0	32,585	0	0	32,585
Total Costs	\$9,606,348	\$454,534	\$152,423	\$10,213,305	(\$21,973)	\$214,481	\$9,798,856
General Fund	4,081,256	(55,264)	90,150	4,116,142	(286,723)	112,697	3,907,230
State/Other Special	1,044,315	84,977	21,971	1,151,263	64,333	31,792	1,140,440
Federal Special	4,480,777	424,821	40,302	4,945,900	200,417	69,992	4,751,186
Total Funds	\$9,606,348	\$454,534	\$152,423	\$10,213,305	(\$21,973)	\$214,481	\$9,798,856

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,314	\$1,375
FY 2011	\$3,413	\$1,416

L- 60008 - Restore Overtime -

This request is for \$6,727 total funds for the biennium to restore zero-based overtime worked during FY 2008.

**PUBLIC HEALTH & HUMAN SERVICES-6901
BUSINESS & FINANCIAL SERVICES DIVISION-06**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$16,484	\$7,845
FY 2011	\$16,484	\$7,845

NP- 60002 - Temporary Services for Vital Statistics -

This request is to fund a temporary services contract for the Vital Records Section of the Business and Financial Services Division. This contract will assist with corrections and microfilm maintenance of birth and death records, services to county Clerks and Recorders including distribution of security paper for printing certificates, and data entry for adoption records. This request includes \$15,690 general fund and \$17,278 state special funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,950	\$47,950
FY 2011	\$45,189	\$45,189

NP- 60003 - Reimbursement Section FTE -

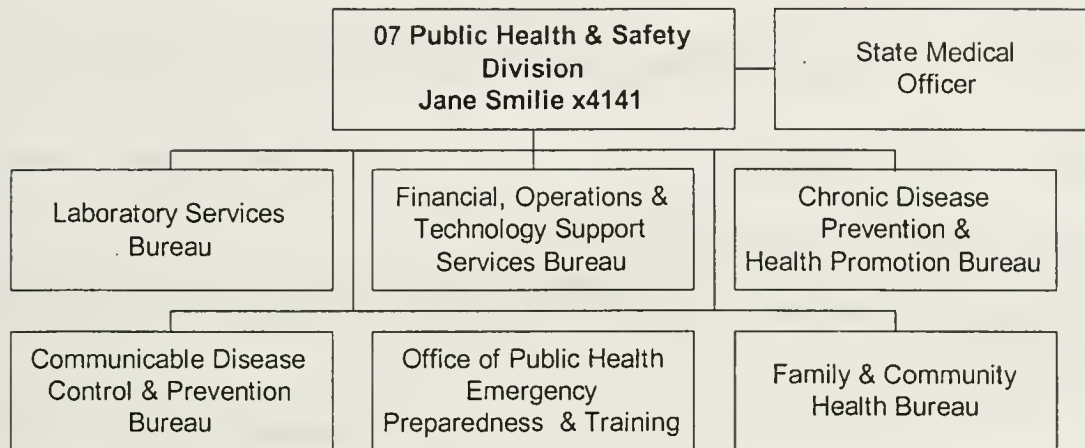
This request is for \$93,139 general fund for the biennium to fund 1.00 FTE in the Institutional Reimbursement Section of the Business and Financial Services Division to supervise and assist with the financial investigation and collection processes for residents at the DPHHS institutions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$87,989	\$34,355
FY 2011	\$152,808	\$59,663

NP- 60004 - Internal Controls FTE -

This request is for 2.00 FTE in the Business Services Bureau of the Business and Financial Services Division to enhance internal controls over the fiscal operations of the department. This request also provides \$70,339 in contracted services for an internal audit review of the internal control structure and data systems, to provide training to department staff in internal controls and fraud detection, and for assistance in preparing a continuous improvement plan for managing collections and receivables activities. A total of \$240,797, including \$94,018 general fund, \$36,485 state special revenue, and \$110,294 federal funds is being requested.

**PUBLIC HEALTH & HUMAN SERVICES-6901
PUBLIC HEALTH & SAFETY DIV.-07**



Program Description - Program Description - The mission of the Public Health and Safety Division (PHSD) is to improve the health of Montanans to the highest possible level. The division provides a wide range of public health services to individuals and communities that are aimed at prevention of disease and promotion of health. Services are provided through nearly 400 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals and other community-based organizations. Programs administered by the division include, but are not limited to: clinical and environmental laboratory services; chronic and communicable disease prevention and control; maternal and child public health services; public health emergency preparedness; Women's, Infants and Children's Special Nutrition Program (WIC); Food and Consumer Safety; and Emergency Medical Services.

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Maternal and Child Health Title 50, Chapter 1 and Chapter 19, MCA, and Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7CFR part 246

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	183.02	0.00	1.00	184.02	0.00	1.00	184.02
Personal Services	9,107,427	1,572,338	56,927	10,736,692	1,603,419	57,014	10,767,860
Operating Expenses	12,661,462	(98,268)	597,615	13,160,809	(85,087)	1,097,528	13,673,903
Equipment & Intangible Assets	333,976	0	150,000	483,976	0	150,000	483,976
Grants	23,031,012	0	1,348,960	24,379,972	0	1,398,960	24,429,972
Benefits & Claims	13,964,291	2,179,255	114,000	16,257,546	3,243,708	114,000	17,321,999
Total Costs	\$59,098,168	\$3,653,325	\$2,267,502	\$65,018,995	\$4,762,040	\$2,817,502	\$66,677,710
General Fund	2,647,706	(110,454)	830,000	3,367,252	(105,722)	880,000	3,421,984
State/Other Special	15,984,548	947,539	864,000	17,796,087	975,196	864,000	17,823,744
Federal Special	40,465,914	2,816,240	573,502	43,855,656	3,892,566	1,073,502	45,431,982
Total Funds	\$59,098,168	\$3,653,325	\$2,267,502	\$65,018,995	\$4,762,040	\$2,817,502	\$66,677,710

PUBLIC HEALTH & HUMAN SERVICES-6901
PUBLIC HEALTH & SAFETY DIV.-07

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,979,255	\$0
FY 2011	\$3,043,708	\$0

PL- 70001 - Increased Federal Spending Authority For WIC -

This request is for \$1,979,255 in FY 2010 and \$3,403,708 in FY 2011 for federal spending authority for an estimated 5% increase for the Montana WIC program. The increase is anticipated federal support for food dollars, and is for an average of past increases.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 70003 - Increased Authority for Children's Special Health -

This request is for \$200,000 for each year of the biennium in state special spending authority for anticipated increases in billing revenue for Children's Special Health Care Needs Clinics. The department provides for the metabolic and cleft cranio facial clinics in the state, and bills for those services. Revenue has increased over the last several years, and it is anticipated that present authority will not cover the amount billed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$57,486	\$0
FY 2011	\$57,486	\$0

PL- 70008 - Adolescent Immunization Outreach Program -

This request is for \$57,486 in federal spending authority for each year of the biennium to develop an adolescent project to improve our outreach to the adolescent population and improve the vaccination status for tetanus, diphtheria, whooping cough, meningitis, human papillomavirus, and hepatitis B vaccines to help to lessen the disease burden on these children before they mature into adults.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$125,000	\$0
FY 2011	\$125,000	\$0

PL- 70011 - Authority for Laboratory to Cover Increased Expenses -

This request is for \$125,000 for each year of the biennium in state special spending authority to meet projected increases in DPHHS laboratory supplies and other operating expenses. The increased expenses will be covered by increased laboratory fees.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$349,990)	(\$349,990)
FY 2011	(\$349,990)	(\$349,990)

PL- 70020 - Reduce Environmental Lab Base Budget -

In FY 2008, the environmental lab received a program transfer of general fund, which was incorporated in the 2008 base budget. This request will reduce the base budget by \$349,990 and bring the budget to the appropriated 2008 level. The department has introduced a new proposal (NP70022) to request general fund support.

**PUBLIC HEALTH & HUMAN SERVICES-6901
PUBLIC HEALTH & SAFETY DIV.-07**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$0
FY 2011	\$150,000	\$0

IP- 70004 - Emergency Dept/Hosp Discharge Data Surveillance -

This request is for \$150,000 for each year of the biennium in SSR funds (tobacco master settlement) for operational costs and for contracted services to be provided by the Montana Hospital Association to fully implement an emergency department and hospital discharge monitoring system within DPHHS. Availability of emergency department and hospitalization claims data is essential to monitor the health status of Montanans and to guide actions by the department and other health organizations to improve health and inform policy deliberations and legislation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$125,000	\$0
FY 2011	\$125,000	\$0

IP- 70005 - Establish Injury Prevention Program -

This request is for \$125,000 and 1.00 FTE for each year of the biennium in SSR funds (tobacco trust fund interest) to establish an injury prevention program for the State of Montana. The funds will be used to establish a core capacity injury prevention program, which will allow DPHHS to initiate public health interventions to reduce the burden of unintentional injury in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$50,000	\$50,000

IP- 70006 - Fund Poison Control Hotline -

This request is for \$50,000 in general fund for FY 2011 to contract with the Rocky Mountain Poison Center (RMPC) to provide 24/7 poison control hotline services for Montanans and medical consultation for health care professionals in the state. The department is requesting state funding to cover a portion of the annual cost for the Montana Poison Control hotline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$500,000	\$500,000
FY 2011	\$500,000	\$500,000

IP- 70007 - Cont. 2009 Bien. Funds: Offset Contraceptive Costs -

This request is for \$500,000 in each year of the biennium to continue funding, which was authorized as one-time-only during the 2007 Legislative Session. These funds would be used to offset the increased cost of contraceptives for Title X Family Planning Clinics. Contraceptive costs rose 70% during SFY2007 and are expected to remain at that level. If the Family Planning Waiver is approved in this biennium, general fund (up to \$300,000) can be transferred to DP 70023 to be used for state match with Medicaid funds.

PUBLIC HEALTH & HUMAN SERVICES-6901
PUBLIC HEALTH & SAFETY DIV.-07

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$199,542	\$0
FY 2011	\$199,542	\$0

NP- 70013 - National Laboratory Systems (NLS) Grant -

This request is for \$199,542 federal funding for each year of the biennium to integrate clinical laboratories into public health testing. The purpose of the funding is to facilitate high quality and timely public health laboratory testing that is done in local hospitals and clinics; to facilitate better detection of diseases and tracking of public health threats; and to maintain consistent standards of testing at all clinical laboratories in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,000	\$0
FY 2011	\$75,000	\$0

NP- 70014 - MT Health Professional Recruit/Retention Incentive Program -

This proposal requests \$75,000 in state special revenue funds in FY 2010 and FY 2011 for the Montana Health Professional Recruitment and Retention Incentive Program. Recruitment and retention of health professionals is an increasingly difficult problem nationally and in rural and frontier settings such as Montana. Federal and state incentive programs such as the National Health Service Corp Loan Repayment and Scholar Program and the Montana Rural Physician Incentive Program (MRPIP) offer some options to providers and facilities seeking to recruit and retain health professionals. A state incentive program aimed at non-physician primary care providers, dental health professionals, and mental health providers has the potential of supporting community efforts to recruit and retain health professionals. Administrative costs of up to 10% of the total appropriation would be used to develop and implement the program, advertise, and support facilities and providers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$84,000	\$0
FY 2011	\$84,000	\$0

NP- 70015 - Increased Funding for HIV Treatment -

This decision package requests \$84,000 in SSR funds (tobacco trust fund interest) each year of the biennium for a state supported HIV treatment program. The requested funds would allow additional uninsured persons access to expensive HIV medication.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$30,000	\$0
FY 2011	\$30,000	\$0

NP- 70016 - Local WIC Farmer's Market Support -

This request is for \$30,000 per year of the biennium in SSR funds (tobacco trust fund interest) for local WIC programs operating Farmer's Market Nutrition Programs (FMNP). In 2007, Montana had seven WIC FMNP Sites that included 10 farmers markets. Montana anticipates that three additional sites would participate in the FMNP if these funds were available.

PUBLIC HEALTH & HUMAN SERVICES-6901
PUBLIC HEALTH & SAFETY DIV.-07

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$400,000	\$0
FY 2011	\$400,000	\$0

NP- 70019 - Adolescent Immunization -

This request is for \$400,000 per year in SSR funds (tobacco trust fund interest) to purchase vaccines to support the immunization of adolescents ages 11-12, who are entering grade 7 in Montana. Funds will be used for HPV, Tdap, Hepatitis B, and Meningococcal vaccines, as well as education regarding the importance of these.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$373,960	\$0
FY 2011	\$373,960	\$0

NP- 70021 - Nutrition and Physical Activity Program -

This request is for \$373,960 in each year of the biennium for increased federal spending authority for the Nutrition and Physical Activity program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$330,000	\$330,000
FY 2011	\$330,000	\$330,000

NP- 70022 - Restore General Fund for Public Health Labs -

This request is for \$330,000 for each year of the biennium in general fund support for both the Public Health and Environmental Laboratories. In the past 9 years, the labs have had an average shortfall of \$180,000 in revenue generated by fees. Although fees have increased by an average of 22% over the last 3 years, further fee increases would likely result in fewer tests submitted and therefore decreased revenue.

In addition, the lack of fee revenue has resulted in the inability to purchase replacements for outdated equipment. New or replacement equipment needed now include an ICP/MS for heavy metals analysis of water, a newborn screening automated analyzer, and a real-time molecular detection analyzer. Each year, new technology is introduced and equipment updates are needed. For example, near future needs include a total organic carbon analyzer, updated DNA fingerprinting equipment, and an LC/MS/MS. This request includes \$150,000 per year for equipment replacement.

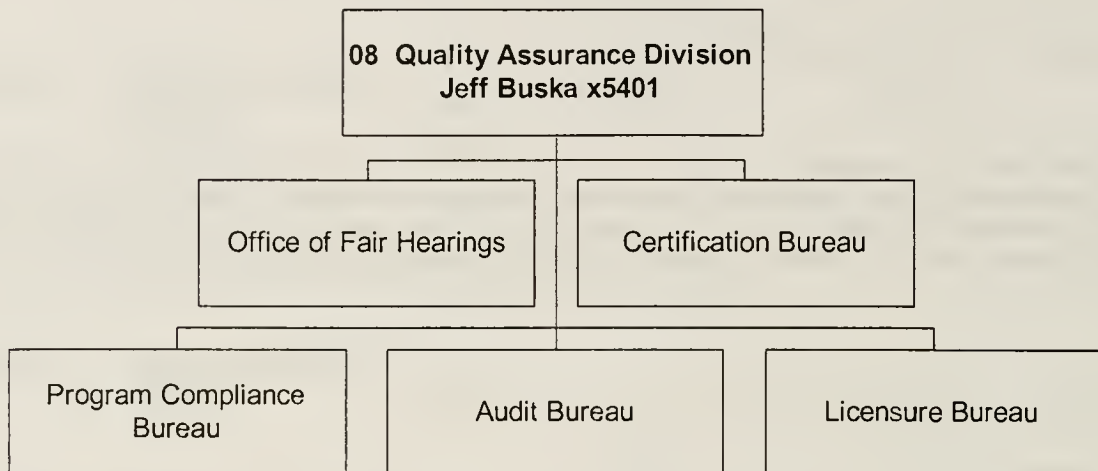
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$500,000	\$0

NP- 70023 - Family Planning Waiver - Biennial -

This request is needed to implement Montana Plan First, Montana's Section 1115 Family Planning Waiver. The decision package requests \$500,000 in federal spending authority for the biennium. Once the federal waiver is approved, the Public Health and Safety Division will transfer the funds to the Health Resources Division. If the waiver is approved in this biennium, general fund (up to \$300,000) from DP 70007 (Contraceptive Costs) will be transferred for use as state match in this waiver.

PUBLIC HEALTH & HUMAN SERVICES-6901

QUALITY ASSURANCE DIVISION-08



Program Description - The role of the Quality Assurance Division (QAD) is to protect the safety and well-being of Montanans by monitoring and ensuring the integrity and cost-effectiveness of programs administered by the department. The Quality Assurance Division (QAD) fulfills this roll by providing comprehensive services that: protect the safety of clients that utilize Montana's health care, day care, and residential providers through licensure of 2,178 facilities. Of these facilities, 293 are certified by the division for participation in the Medicare and Medicaid programs; detect and investigate abusive or fraudulent practices affecting the Medicaid, TANF and Food Stamp programs and initiate recovery efforts; reduce Medicaid costs by identifying other insurers or parties responsible for paying a client's medical expenses; provide both internal and external independent audits for DPHHS programs; provide independent fair hearings for clients and providers participating in DPHHS programs; monitor and evaluate health maintenance organizations for quality assurance and network adequacy; maintain Certified Nurse Aide Registry; approve and monitor Nurse Aide Training programs; operate the Certificate of Need (CON) Program; and operate the internal HIPAA function for the department.

The division has field offices in Anaconda, Billings, Bozeman, Great Falls, Havre, Hinsdale, Kalispell, Miles city, and Missoula.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	120.48	0.25	0.50	121.23	0.25	0.50	121.23
Personal Services	6,313,406	599,626	25,043	6,938,075	615,345	25,049	6,953,800
Operating Expenses	1,531,579	97,458	241,500	1,870,537	109,783	229,800	1,871,162
Equipment & Intangible Assets	7,500	0	0	7,500	0	0	7,500
Grants	550,380	0	0	550,380	0	0	550,380
Total Costs	\$8,402,865	\$697,084	\$266,543	\$9,366,492	\$725,128	\$254,849	\$9,382,842
General Fund	2,478,359	397,553	29,250	2,905,162	365,972	23,400	2,867,731
State/Other Special	131,602	2,306	116,543	250,451	2,480	116,549	250,631
Federal Special	5,792,904	297,225	120,750	6,210,879	356,676	114,900	6,264,480
Total Funds	\$8,402,865	\$697,084	\$266,543	\$9,366,492	\$725,128	\$254,849	\$9,382,842

**PUBLIC HEALTH & HUMAN SERVICES-6901
QUALITY ASSURANCE DIVISION-08**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,748	\$0
FY 2011	\$13,753	\$0

PL- 80001 - Annualization FTE Utilization -

This request is to increase one position from .75 FTE to 1.00 FTE. This increase request is currently approved as a modified position to manage increased functions and oversight of the Montana Rural Hospital Flex Grant and is funded by this grant.. The biennial request is for \$27,501 in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$59,000	\$0
FY 2011	\$59,000	\$0

PL- 80006 - Address CMS Task Orders and Workload -

This request is for \$118,000 in additional federal funding for the biennium for the Certification Bureau to meet the workload demand outlined in the Centers for Medicare & Medicaid Services (CMS) Task Orders addressing increased technology requirements, increased emergency preparedness planning, and increased number of health care facility surveys.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$56,175
FY 2011	\$0	\$12,754

PL- 80007 - PERM Funding -

The Payment Error Rate Measurement (PERM) audits are performed on a three year cycle, meaning the funding mix in the base year is different than the mix required in the following biennium. This request provides an increase of \$68,929 in general fund and an offsetting reduction in federal funds over the biennium and asks that the funding be non-restricted.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,268	\$9,589
FY 2011	\$30,765	\$14,568

PL- 80008 - Rent Funding -

This decision package addresses rent increases that are built into the lease agreements for offices in non-D of A buildings. The request is for \$24,157 of general fund, \$559 of state special revenue, and \$26,317 of federal funds over the biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,043	\$0
FY 2011	\$25,049	\$0

NP- 80002 - FTE For Medical Marijuana Program -

The Quality Assurance Division is requesting an additional 0.5 FTE for the Medical Marijuana Program (MMP) to address the increased workload MMP is experiencing due to significant growth in the number of approved patients and caregivers in the program. This request is for \$50,092 in state special funds.

PUBLIC HEALTH & HUMAN SERVICES-6901 **QUALITY ASSURANCE DIVISION-08**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$183,000	\$0
FY 2011	\$183,000	\$0

NP- 80009 - Lien and Estate Funding -

During the 2007 legislative session, the legislature approved one time only funding to finalize several hundred old Lien and Estate recovery cases that had been outstanding for many years. Since the project began, the agency has closed 86 cases and collected over \$1,225,000. There are 57 cases still outstanding. This decision package seeks to reestablish this authority in the amount of \$183,000 in state special revenue and \$183,000 federal funds for the biennium, and to characterize it as ongoing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$46,800	\$23,400

NP- 80010 - Data Systems Maintenance -

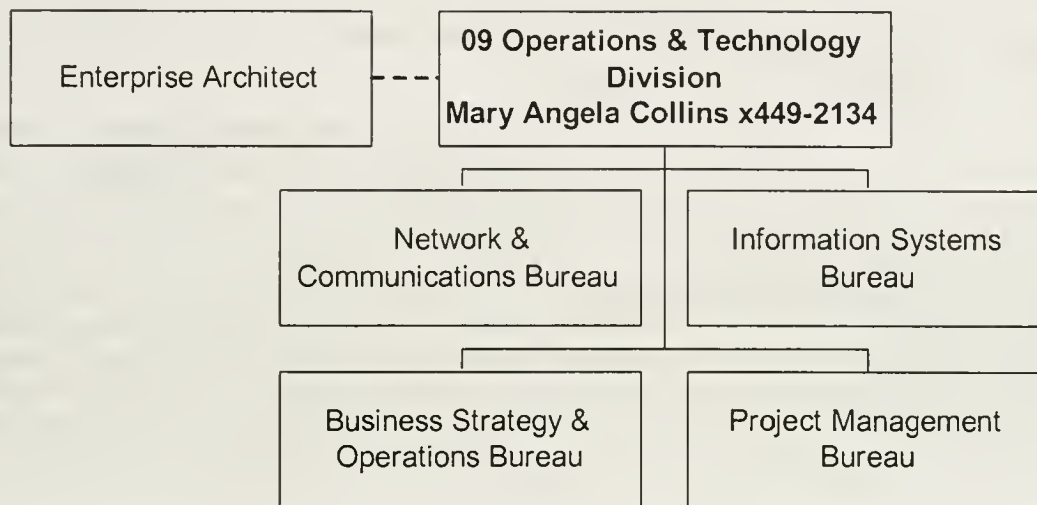
This request is for \$46,800 for the biennium, including \$23,400 in general funds and \$23,400 in state special funds, to update and maintain various databases and systems utilized by the TPL unit. The TPL unit is responsible for coordinating with other liable third parties to ensure that Medicaid is the payer of last resort. In order to accomplish these duties the TPL unit relies on various databases and systems to identify liable companies. During SFY 2008 the state saved over \$126 million by coordinating with other parties.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$58,500	\$29,250
FY 2011	\$0	\$0

NP- 80011 - CHIMES Enhancements -

MEQC and PERM are federally mandated Medicaid recipient audits that require extensive analysis, monitoring, tracking and correspondence. The division is requesting \$29,250 general fund and \$29,250 federal funds for a total of \$58,500 to build a MEQC/PERM module within CHIMES. These funds will be used to automate many functions that are currently performed manually and will be used to develop an improved tracking and reporting system to replace "home grown" spreadsheets used to monitor activity. By expending these funds the department will be able to improve efficiencies and replace vulnerable data systems (spreadsheets) with a maintained and supported system.

**PUBLIC HEALTH & HUMAN SERVICES-6901
TECHNOLOGY SERVICES DIVISION-09**



Program Description - Mission Statement: The Technology Services Division (TSD) is responsible for all agency information technology. TSD has four bureaus: the Business Strategies and Operations Bureau, which provides policy guidance and business oversight including financial management for the division; the Project Management Bureau, which is engaged in project management, using outside contractors to develop and manage major data systems. These systems include SEARCHS for child support enforcement, MACWIS (formerly CAPS) for children's protective services, TEAMS and CHIMES for Medicaid, TANF and SNAP/food stamps eligibility determination, Montana Access for electronic benefits; the Information Services Bureau provides database web server hosting and system development services. It also operates the Technology Services Center, a computer help desk that provides first level support for employees and contractors conducting business for the department; and the Network and Communications Bureau, which provides networking and desktop services to all agency employees.

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	57.10	0.00	0.00	57.10	0.00	0.00	57.10
Personal Services	3,655,002	254,149	0	3,909,151	268,777	0	3,923,779
Operating Expenses	15,692,356	683,828	86,930	16,463,114	648,034	84,430	16,424,820
Equipment & Intangible Assets	345,287	0	0	345,287	0	0	345,287
Grants	0	0	750,000	750,000	0	0	0
Debt Service	244,617	0	0	244,617	0	0	244,617
Total Costs	\$19,937,262	\$937,977	\$836,930	\$21,712,169	\$916,811	\$84,430	\$20,938,503
General Fund	7,857,242	348,245	787,754	8,993,241	338,975	36,668	8,232,885
State/Other Special	1,010,225	91,596	3,773	1,105,594	90,331	3,664	1,104,220
Federal Special	11,069,795	498,136	45,403	11,613,334	487,505	44,098	11,601,398
Total Funds	\$19,937,262	\$937,977	\$836,930	\$21,712,169	\$916,811	\$84,430	\$20,938,503

PUBLIC HEALTH & HUMAN SERVICES-6901 TECHNOLOGY SERVICES DIVISION-09

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$131,264	\$52,603
FY 2011	\$127,666	\$50,911

PL- 90102 - TSD Office Rent COL Increases -

This decision package requests \$258,930 over the biennium, of which \$103,514 is general fund, for operational costs associated with the increased rent within the Technology Services Division. The TSD has moved several offices to co-locate certain functions; to move out of locations that have become unfeasible to maintain, and to take advantage of better rental pricing. There are four moves occurring: moving Network and Communications Bureau staff and training room to a new building proposed at South Pointe where the rate will be \$23.13/s.f. in FY 2010 with a 1% increase in the second year; cost of living increase for rented space for the Project Management Bureau (PMB); co-locating the Information Systems Bureau programming unit with the PMB, and co-locating the Business Strategies and Operations Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$34,166	\$14,558
FY 2011	\$0	\$0

PL- 90104 - USB Device Encryption -

This decision package requests \$34,166 over the biennium, of which \$14,558 is general fund, to install encryption software on agency computers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$23,983	\$9,120
FY 2011	\$23,983	\$9,120

PL- 90528 - Restore overtime/holidays worked -

This request restores zero-based authority for overtime and holidays worked for the Information Systems Bureau. The cost is \$23,983 per year of general fund and other funds.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$86,930	\$37,754
FY 2011	\$84,430	\$36,666

NP- 90227 - NEDSS Base System (NBS) -

This decision package requests \$86,930 (of which \$37,754 is general fund) the first year and \$84,430 (of which \$36,666 is general fund) the second year for the National Electronic Disease Surveillance System (NEDSS) support and hosting. The National Electronic Disease Surveillance System (NEDSS) supports routine surveillance activities associated with the rapid reporting of disease trends to control outbreaks. The NEDSS platform allows states to enter, update, and electronically transmit demographic and notifiable disease data to the Centers for Disease Control and Prevention (CDC).

**PUBLIC HEALTH & HUMAN SERVICES-6901
TECHNOLOGY SERVICES DIVISION-09**

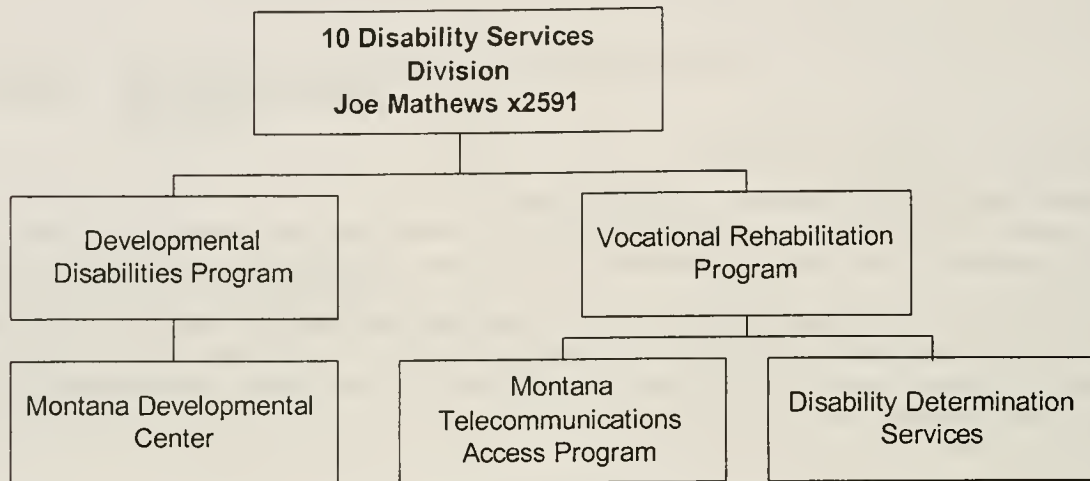
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$750,000	\$750,000
FY 2011	\$0	\$0

NP- 90600 - Health Information Technology - OTO Biennial -

This budget request is for a one-time only, biennial \$750,000 general fund appropriation for a grant to support the development of a statewide health information technology pilot project. This grant may be used to purchase hardware, software, programming costs, and participating site-related costs. It is anticipated that this project will utilize the "continuity of care record" as a basis for the exchange of healthcare information among healthcare facilities and providers. This project is expected to provide vital clinical information at the point of care and aggregated data for disease management capability. As a result of these efforts, Montanans can expect to see better quality healthcare in the form of reduced medical errors, reduced medical costs (e.g., redundancy of tests, duplication of therapies, drug interactions, etc), and improved transparency.

PUBLIC HEALTH & HUMAN SERVICES-6901

DISABILITY SERVICES DIVISION-10



Program Description - Disability Services Division (DSD) assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DSD is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state behavioral treatment facility at the Montana Developmental Center (MDC) in Boulder.

Vocational Rehabilitation (VR) serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities. Developmentally disabled includes individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatment similar to those required by someone with mental retardation. The developmental disability must have originated before age 18 and have resulted in a substantial handicap for indefinite duration.

Disability Services Division (DSD) serves the telecommunications needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled through the Montana Telecommunication Access Program (MTAP).

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	493.92	3.00	1.00	497.92	3.00	1.00	497.92
Personal Services	23,981,359	2,331,384	48,768	26,361,511	2,440,876	48,783	26,471,018
Operating Expenses	8,602,388	544,340	801,236	9,947,964	691,084	801,236	10,094,708
Equipment & Intangible Assets	57,356	0	0	57,356	0	0	57,356
Benefits & Claims	114,752,238	3,250,828	4,211,589	122,214,655	3,576,290	6,618,241	124,946,769
Total Costs	\$147,393,341	\$6,126,552	\$5,061,593	\$158,581,486	\$6,708,250	\$7,468,260	\$161,569,851
General Fund	52,551,559	4,123,576	2,123,293	58,798,428	4,655,234	3,172,680	60,379,473
State/Other Special	3,685,456	556,756	800,000	5,042,212	559,132	800,000	5,044,588
Federal Special	91,156,326	1,446,220	2,138,300	94,740,846	1,493,884	3,495,580	96,145,790
Total Funds	\$147,393,341	\$6,126,552	\$5,061,593	\$158,581,486	\$6,708,250	\$7,468,260	\$161,569,851

PUBLIC HEALTH & HUMAN SERVICES-6901 DISABILITY SERVICES DIVISION-10

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$875,591
FY 2011	\$0	\$1,241,563

PL- 10001 - FMAP Adjustment -

This request provides an increase in general fund of approximately \$2.1million over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2010 and FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$802,136	\$260,534
FY 2011	\$802,136	\$264,224

PL- 10002 - Annualization of Community Service Cost Plans -

This request is for approximately \$1.6 million total funds, including just over \$0.5 million general fund, over the 2011 biennium to support annualized cost plans for individuals that entered developmental disability community services during FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,828,215	\$462,710
FY 2011	\$1,828,215	\$501,937

PL- 10003 - Annualize DSD Provider Rate Increases -

This request is for \$3.6 million total funds, including just over \$0.9 million general fund and \$0.9 million state special revenue tobacco tax funding over the biennium to annualize the rate increases authorized by the 2007 Legislature to be phased in over the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,181,084	\$1,181,084
FY 2011	\$1,181,084	\$1,181,084

PL- 10004 - Restore Zero-Based Personal Services at MDC -

This request provides nearly \$2.4 million general fund over the biennium to restore zero-based personal services funding as compared to the base year. This request is necessary to maintain minimum Montana Developmental Center (MDC) staffing requirements at this 24-hour day, 7-days-a-week facility and to maintain Medicaid certification.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$283,336	\$141,884
FY 2011	\$311,642	\$163,092

PL- 10005 - Rent For Non-State Facilities -

The division requests funding for rent increases for offices in non-D of A buildings. This decision package requests \$232,366 general fund, \$158,040 state special revenue, and \$148,681 federal funds over the biennium for the Developmental Disabilities and Vocational Rehabilitation programs. This includes rent at the new South Pointe building at a rate of \$23.13 per square foot in FY 2010, with an increase of 1% in FY 2011. Costs related to South Pointe total \$466,503, made up of \$202,385 in general funds, \$145,396 in state funds and \$118,722 in federal funds for the biennium.

**PUBLIC HEALTH & HUMAN SERVICES-6901
DISABILITY SERVICES DIVISION-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$152,984	\$0
FY 2011	\$270,198	\$0

PL- 10006 - Disability Determination Services Base Adjustments -

This decision package requests an increase of \$423,182 in federal funds over the biennium for the Disability Determination Services for rental space, client travel, and medical consultants.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$183,702	\$0
FY 2011	\$183,762	\$0

PL- 10007 - FTE for Disability Determination -

This decision package requests an increase of \$367,464 in federal funds over the biennium for 3.0 FTE claims adjudicators in Disability Determination Services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$701,414	\$100,793
FY 2011	\$1,016,670	\$100,793

PL- 10018 - MDC Utilization Fee, Medicaid Reimbursement Adjust -

This decision package requests \$201,585 general fund over the biennium for the nursing facility utilization fee and \$1.5 million federal Medicaid funds over the biennium for the federal participation in funding of the Montana Developmental Center.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$95,503	\$0
FY 2011	\$98,367	\$0

PL- 10019 - Restore Zero-Based Personal Services at DDS -

This request provides \$193,871 federal funds over the biennium to adjust for zero-based personal services funding as compared to the base year. This request is necessary for the Disability Determination Services bureau (DDS) to process the workload in an electronic environment to meet Social Security Administration (SSA) required productivity levels.

PUBLIC HEALTH & HUMAN SERVICES-6901 DISABILITY SERVICES DIVISION-10

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,123,310	\$499,999
FY 2011	\$2,390,832	\$960,012

NP- 10008 - DSD Caseload Adjustments -

This request is for approximately \$3.5 million total funds, including \$1.4 million general fund over the biennium to support caseload growth in the Disability Services Division in the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$804,049	\$393,001
FY 2011	\$1,896,215	\$933,246

NP- 10009 - Provider Rate Increase - DSD -

This request is for \$2.7 million total funds, including \$1.3 million general fund over the biennium for provider rate increases of 1% each year of the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$153,941	\$50,000
FY 2011	\$151,791	\$50,000

NP- 10011 - Autism Waiver -

This request is for \$305,732 total funds, including \$100,000 general fund over the biennium, to increase support for the HCBS waiver for children with autism.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,004	\$50,004
FY 2011	\$50,019	\$50,019

NP- 10012 - Transitions Coordinator -

Providing successful transition to adulthood for youth with disabilities has been an important priority for this Administration. Although there is considerable variety in the services and organizations offering assistance, there has been a lack of coordination and a "standard of transition" under current structures. The Governor's Office has been working with numerous state agencies, schools, non-profit organizations, parents, young adults, and employers to address barriers to successful transition.

This budget request seeks \$50,000 general fund each year of the biennium to support a disabilities transition coordinator (1.00 FTE) to facilitate cooperation and coordination among all levels of government, as well as between the private and public sectors. This coordinator will be key to assisting all parties in developing a best practices standard of transition and implementing the strategies and goals for the Transitions Task Force.

**PUBLIC HEALTH & HUMAN SERVICES-6901
DISABILITY SERVICES DIVISION-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$800,000	\$0
FY 2011	\$800,000	\$0

NP- 10015 - MTAP New Technologies (Bien) -

DSD requests \$1.6 million state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,000,000	\$0
FY 2011	\$1,000,000	\$0

NP- 10016 - Developmental Disabilities Program - Fed. Funding -

This request is for \$2 million federal authority for the biennium to provide for increases in federal grants or to maximize already appropriated general funds under the Home and Community Based Waiver. This waiver is used to fund services to individuals with developmental disabilities. The federal authority would not require any future commitment of general fund dollars.

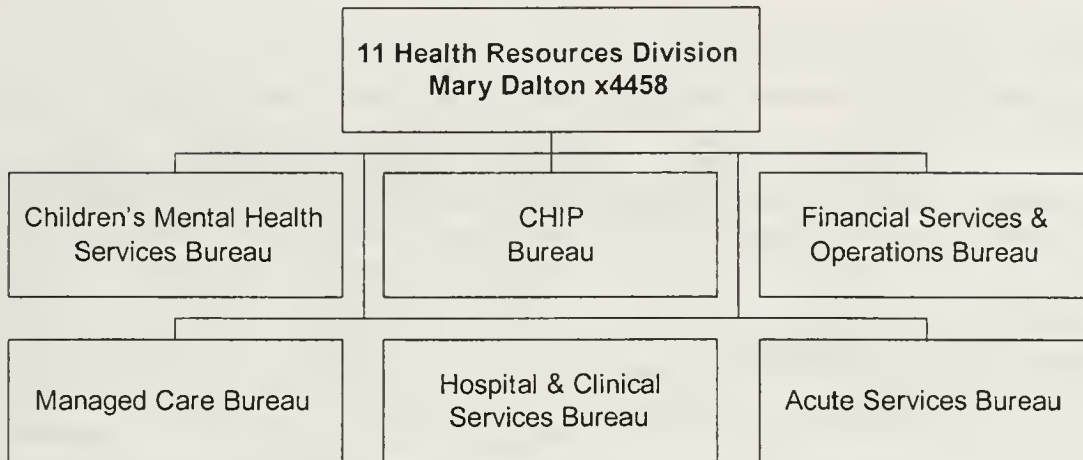
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,130,289	\$1,130,289
FY 2011	\$1,179,403	\$1,179,403

NP- 10020 - Early Intervention Caseload Growth -

This request is for \$2,309,692 in general fund over the biennium to support caseload growth in the Part C Early Intervention Program in the 2011 biennium. The Part C program is an entitlement for eligible recipients. Funding increased for the program in FY 2009. This request will continue the level of funding approved for FY 2009 into the 2011 biennium.

PUBLIC HEALTH & HUMAN SERVICES-6901

HEALTH RESOURCES DIVISION-11



Program Description - The Health Resources Division (HRD) administers Medicaid primary care services, children's mental health services, Children's Health Insurance Program (CHIP), and Big Sky Rx. The purpose of the division is to improve and protect the health and safety of Montanans. The Division reimburses private and public providers for a wide range of preventive, primary, and acute care services. Major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment, and mental health providers. The Division develops tools, measurements and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others. The Division strives to provide superior customer service in a respectful, fair, and timely manner.

The majority of services in the Division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children and low-income families. In addition to Medicaid, the Division has a small federal SAMHSA grant that provides regional infrastructure and very limited services for children below 150% of the federal poverty level who have a serious emotional disturbance.

The division administers CHIP as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. CHIP dental and eyeglasses benefits are reimbursed directly by the department. CHIP is a voluntary state/federal partnership that reimburses for medical services for children at or below 175% of poverty. CHIP eligibility is determined by Division staff.

Big Sky Rx is a state funded program that helps Montanans, who are at or below 200% of poverty and who are eligible for the Medicare Part D prescription drug program, pay for their Medicare premium. Big Sky Rx eligibility is determined by Division staff. A related program, PharmAssist, pays for prescription drug counseling by a pharmacist and provides drug information and technical assistance to all Montanans.

PUBLIC HEALTH & HUMAN SERVICES-6901

HEALTH RESOURCES DIVISION-11

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	86.00	60.00	4.00	150.00	60.00	4.00	150.00
Personal Services	3,931,820	3,842,288	162,116	7,936,224	3,860,374	162,176	7,954,370
Operating Expenses	9,983,559	1,373,357	145,875	11,502,791	947,525	165,998	11,097,082
Equipment & Intangible Assets	5,535	0	0	5,535	0	0	5,535
Grants	645,569	0	0	645,569	0	0	645,569
Benefits & Claims	472,602,973	129,781,422	2,366,098	604,750,493	167,103,851	4,294,847	644,001,671
Total Costs	\$487,169,456	\$134,997,067	\$2,674,089	\$624,840,612	\$171,911,750	\$4,623,021	\$663,704,227
General Fund	107,427,618	20,872,230	985,303	129,285,151	30,460,801	1,703,065	139,591,484
State/Other Special	39,209,729	28,207,055	3,772	67,420,556	32,249,709	7,749	71,467,187
Federal Special	340,532,109	85,917,782	1,685,014	428,134,905	109,201,240	2,912,207	452,645,556
Total Funds	\$487,169,456	\$134,997,067	\$2,674,089	\$624,840,612	\$171,911,750	\$4,623,021	\$663,704,227

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,997,861	\$11,319,776
FY 2011	\$60,447,544	\$16,691,141

PL- 11001 - Medicaid Physical Svc Caseload -

This request reflects the caseload growth in Medicaid. Medicaid caseload consists of the number of eligibles, utilization, and patient acuity levels. This decision package requests \$99.4 million in total funds. The biennial funding is \$28 million in general fund, \$3 million in state special revenue funds and \$68.4 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$3,997,007
FY 2011	\$0	\$5,668,701

PL- 11002 - Medicaid FMAP -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$9.7 million in general fund and a reduction in federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,890,467	\$939,691
FY 2011	\$5,320,572	\$1,754,193

PL- 11003 - Medicare Buy - In Caseload -

This request reflects expected increases in premiums for Medicare Part A and Part B that have been projected by the department. This request is for \$8.2 million over the biennium with \$2.6 million in general fund and \$5.6 million in federal funds. The Medicare Buy-in program is mandated by federal law.

**PUBLIC HEALTH & HUMAN SERVICES-6901
HEALTH RESOURCES DIVISION-11**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$69,154	\$15,698
FY 2011	\$143,231	\$32,986

PL- 11004 - Medicaid Breast & Cervical Cancer -

This request is for \$212,385 for the biennium including \$47,802 general fund to provide continued funding for the Medicaid expenditures related to the Breast & Cervical Cancer Treatment Program for those individuals determined to be Medicaid eligible.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$853,782	\$853,782
FY 2011	\$1,302,427	\$1,302,427

PL- 11005 - Clawback Base Adjustment -

This decision package reflects the Medicare Prescription Drug, Improvement and Modernization act of 2003 (MMA) change that requires the state to pay a monthly fee for those individuals whose Medicaid drug coverage was assumed by Medicare Part D. This request is for \$2.1 million over the biennium in general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,157,376	\$2,304,067
FY 2011	\$9,702,492	\$3,123,441

PL- 11006 - Medicaid Caseload - Children's Mental Health -

This request reflects the caseload growth in Children's Mental Health. This decision package reflects \$16.9 million in total funds for the biennium. The biennial funding is \$5.5 million in general fund and \$11.3 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,431,146	\$0
FY 2011	\$3,534,592	\$0

PL- 11007 - Indian Health Services Caseload -

This decision package reflects projected caseload and federal rate increases for the Medicaid Indian Health Services program. The request is \$6.0 million in federal funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,948,058	\$887,370
FY 2011	\$12,507,107	\$1,274,391

PL- 11008 - CHIP Caseload -

This request reflects the caseload growth for CHIP. CHIP caseload consists of the number of eligibles, utilization, and patient acuity levels. This decision package requests \$21.5 million in total funds. The biennial funding is \$2.2 million in general fund and \$2.7 in state special revenue funds and \$16.5 in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

PL- 11009 - CHIP SSR Fund Adjustment -

This is a budget request to reduce funding from Tobacco Settlement dollars (I-146) \$925,614 in each year of the biennium and increase funding from the Tobacco Tax (I-149) \$925,614 in each year of the biennium. The net result of this fund switch will be zero.

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HEALTH RESOURCES DIVISION-11

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,075,977	\$0
FY 2011	\$3,033,060	\$0

PL- 11010 - Medicaid Organ Transplants -

Currently, Medicaid covers all organ transplants for children. Adults are eligible for cornea, kidney and bone marrow transplants. Previously, adults were excluded from coverage for heart, lung and liver, because these procedures were considered experimental, and this exclusion was implemented as a cost control measure. Today these procedures are no longer considered experimental. This decision package requests funding of \$6,109,037 over the biennium (\$2 million state special revenue and \$4,109,037 federal funds) to provide equity of services between children and adults and extend non-experimental transplant (heart, lung and liver) to adults provided there is a medical necessity. Overall incidence of organ transplants for Medicaid clients in Montana is very low.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$52,572,441	\$0
FY 2011	\$56,018,986	\$0

PL- 11011 - Healthy Montana Kids Plan -

This present law request is for \$36 million in state special revenue (SSR) funds and \$72.6 million in federal funds over the biennium to expand Montana's Medicaid and CHIP programs for children's health insurance as required by the passage of voter Initiative 155 - Healthy Montana Kids. These funds will cover new enrollment in the programs, since November 4, 2008. This request is contingent upon federal approval of a state plan amendment and the receipt of matching federal funds.

The Health Resources Division (HRD) request \$15,663,866 in SSR funds in FY 2010 and \$17,065,752 in SSR funds in FY 2011 along with federal funds to address expanded benefits and administrative costs including 6.00 FTE.

The Technology Services Division requests \$197,145 in SSR funds and \$325,410 in federal funds in FY 2010 to complete programming requirements and updates to multiple information technology systems to accommodate the Medicaid and CHIP expansion.

The Human and Community Services Division requests \$3,065,583 total funds for FY 2010 including \$1.5 million in SSR funds and \$3,066,434 total funds in FY 2011 including \$1.5 million in SSR funds for 54.00 FTE to handle Medicaid eligibility expansion and operating costs, such as new office space and rent, computers, software, telephones, etc. associated with new FTE.

Implementation of the new Healthy Montana Kids Plan is contingent upon receiving the appropriate federal funding needed. This request assumes re-authorization of the federal S-CHIP bill in the next congressional session. If re-authorization is not approved, or if language does not permit the expansion of Montana CHIP to 250% Federal Poverty Level (FPL), this request still includes the expansion of Medicaid for children under 19 years to 185% FPL through the state plan amendment, if approved.

This request assumes federal approval of the state plan amendment and CHIP re-authorization by the October 1, 2009 implementation date of I-155. If approval takes longer, the funding request may need to be transferred between Medicaid and CHIP.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,200,000	\$0
FY 2011	\$3,200,000	\$0

PL- 11034 - Big Sky Rx Base Adjustment - Biennial -

The Big Sky Rx program was funded with I-149 funds. This decision package provides biennial appropriation authority for the projected cash flow of \$3.2 million each fiscal year of the biennium. This would also provide funding for previously approved enrollment projections.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$234,980	\$0
FY 2011	\$234,980	\$0

PL- 11035 - PharmAssist Program -

The PharmAssist program was funded with I-149 funds. This decision package provides appropriation authority for the projected cash flow of \$ 469,960 in each fiscal year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,071,802	\$0
FY 2011	\$14,950,769	\$0

PL- 11039 - Hospital Utilization Fee -

This decision package provides an increase to the base spending authority and the federal match for the hospital utilization fee for each fiscal year. An increase of \$4.2 million in state special revenue and an increase in \$8.8 million in federal funds are requested in FY 2010. In FY 2011, \$4.9 million in state special revenue and \$10 million in federal funds are requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$109,939
FY 2011	\$0	\$160,464

PL- 11041 - CHIP - FMAP Rate Increase -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$300,982 in tobacco settlement funds and \$270,403 in general fund over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$474,630	\$154,302
FY 2011	\$474,630	\$156,486

PL- 11042 - PRTF Reimbursement To Include State Plan Services -

This decision package requests additional funding necessary to reimburse Psychiatric Residential Treatment Facility (PRTF) providers for all Medicaid state plan services as clarified by CMS. The funding for this decision package is \$310,788 in general fund and \$638,472 in federal funds over the biennium.

PUBLIC HEALTH & HUMAN SERVICES-6901

HEALTH RESOURCES DIVISION-11

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$200,000	\$200,000

NP- 11016 - Dental Expansion -

This decision package is to expand the Dental Access Expansion through the Federally Qualified Health Centers (FQHC's) and possibly other sources. FQHC's competitively bid to provide dental services in the 2009 biennium. There continues to be unmet needs. This services both Medicaid and Non-Medicaid low-income populations. This budget request is for \$100,000 general fund in FY 2010 and \$200,000 general fund in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$511,192	\$166,189
FY 2011	\$511,192	\$168,540

NP- 11029 - Federal Mandate to TGF and TFC -

This decision package biennial funding request is for \$334,729 in general fund and \$687,655 in federal funds. The increased funding may be necessary to reimburse therapeutic group homes (TGH) and therapeutic foster care (TCF) providers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$16,616	\$0
FY 2011	\$33,645	\$0

NP- 11033 - Provider Rate Increase - CHIP -

This decision package requests increases for provider rates a targeted 1% for CHIP providers for each year of the biennium. Total funds requested are \$50,261.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$236,119	\$118,060
FY 2011	\$256,274	\$128,137

NP- 11036 - Medicaid Grant -

The 2007 legislature approved an executive request for a federal demonstration grant authorized by the federal Deficit Reduction Act of 2005. The grant allowed the state to pursue a home and community based service waiver (HBCS) as an alternative to utilizing psychiatric residential treatment facility services for children with serious emotional disturbance. This budget request is for \$236,119 in FY 2010 with \$118,060 general fund and \$256,274 in FY 2011 with \$128,137 general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$179,533	\$70,937
FY 2011	\$319,884	\$117,710

NP- 11043 - Medicaid for Workers with Disabilities -

The Health Resources Division is requesting \$449,417 for the biennium, of which \$188,647 is state general fund and \$310,770 is federal funds for the Medicaid for Workers with Disabilities program (MWD).

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,630,629	\$530,117
FY 2011	\$3,302,026	\$1,088,678

NP- 11044 - Provider Rate Increase - Medicaid -

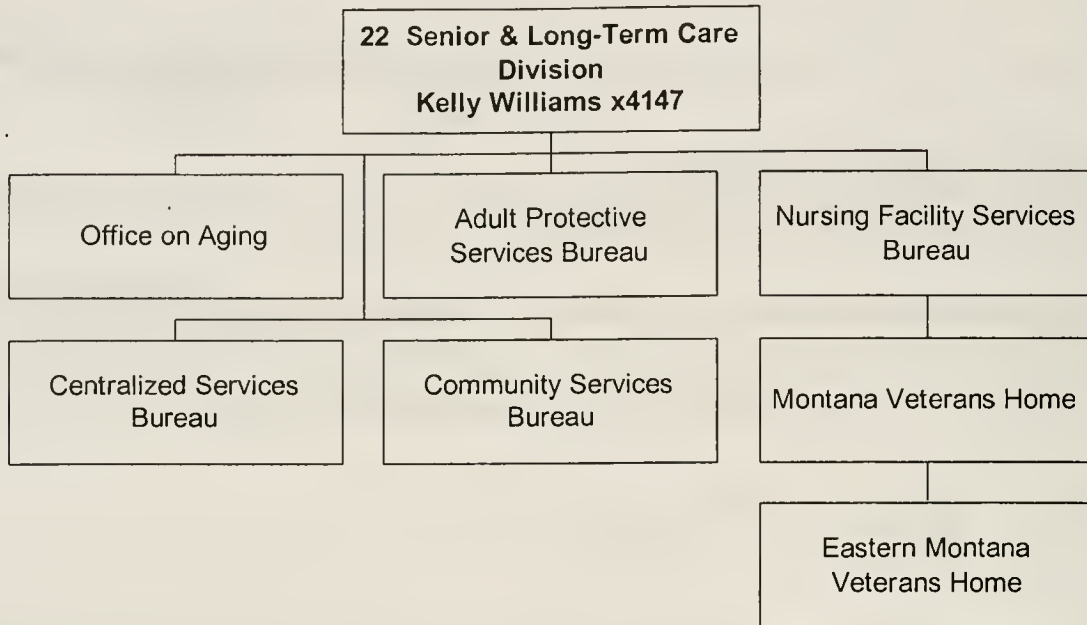
This decision package request increases for provider rates by 1% for each year of the biennium. Total funds requested are \$1.6 million general funds and \$3.3 million in federal funds.

Language Recommendations – “Medicaid for Workers with Disabilities (DP 11043) is contingent on the passage of legislation, LC 347”.

Hospital Utilization Fee (DP 11039) is contingent on the passage of legislation, LC 42.”

PUBLIC HEALTH & HUMAN SERVICES-6901

SENIOR & LONG-TERM CARE-22



Program Description - The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division makes services available through six major programs: the Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman and other services; Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care; Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 90 Montana nursing homes; protective services, including the investigation of abuse neglect and exploitation are provided by adult protective services social workers; skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and the State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

Statutory References: Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

PUBLIC HEALTH & HUMAN SERVICES-6901

SENIOR & LONG-TERM CARE-22

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	202.75	0.00	16.80	219.55	0.00	18.30	221.05
Personal Services	10,178,952	421,083	918,620	11,518,655	476,912	1,112,727	11,768,591
Operating Expenses	6,880,404	794,129	205,000	7,879,533	854,766	205,000	7,940,170
Equipment & Intangible Assets	230,716	0	0	230,716	0	0	230,716
Grants	9,089,181	380,205	1,436,112	10,905,498	380,205	1,553,082	11,022,468
Benefits & Claims	210,723,048	18,996,908	6,982,492	236,702,448	20,601,159	10,861,919	242,186,126
Debt Service	14,003	1,600	0	15,603	1,600	0	15,603
Total Costs	\$237,116,304	\$20,593,925	\$9,542,224	\$267,252,453	\$22,314,642	\$13,732,728	\$273,163,674
General Fund	49,990,569	7,547,804	3,705,571	61,243,944	7,652,462	5,121,621	62,764,652
State/Other Special	29,734,887	1,831,202	1,123,620	32,689,709	2,948,728	1,317,727	34,001,342
Federal Special	157,390,848	11,214,919	4,713,033	173,318,800	11,713,452	7,293,380	176,397,680
Total Funds	\$237,116,304	\$20,593,925	\$9,542,224	\$267,252,453	\$22,314,642	\$13,732,728	\$273,163,674

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$250,000	\$0
FY 2011	\$250,000	\$0

PL- 22201 - Montana Veteran's Home Contingency Fund -

This request is to continue the restricted Montana Veterans Home Contingency Fund appropriation of \$250,000 in state special revenue for each year of the biennium that has been previously appropriated by the 2003/2005/2007 Legislatures. These funds are to be used only subject to a determination by the Office of Budget and Program Planning that federal and/or state special revenue appropriations are insufficient to operate the Veterans Home in Columbia Falls in order to maximize the draw down of federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,130,000	\$917,763
FY 2011	\$5,130,000	\$0

PL- 22202 - Healthcare for Healthcare Workers -

The 2007 Legislature appropriated approximately \$2.6 million total funds for six months beginning January 1, 2009, for a provider rate increase to be focused at paying for health insurance premiums for workers in the personal assistance and the private duty nursing program where the employing agency provides the employees with health insurance coverage that meets a set of defined criteria. The funding of \$2,587,806 represented a premium of \$450 for approximately 950 workers for six months in 2009. This request annualizes the provider rate increase for health insurance for a full twelve months at the current premium level. Tobacco trust interest is being used to fund a portion of this proposal to provide for expansion of health related services to provide for health insurance to direct health care workers. A total of \$10.2 million is being requested, including \$917,763 in general fund, \$2,441,361 in state special funds and \$6.9 million in federal funds.

PUBLIC HEALTH & HUMAN SERVICES-6901 SENIOR & LONG-TERM CARE-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,006	\$10,003
FY 2011	\$26,908	\$13,454

PL- 22203 - Dept of Transportation Cars -

This request is for \$46,914 total funds over the biennium including \$23,457 from the general fund to replace four department owned cars with leased cars from the state motor pool. One of the car has major mechanical problems and the rest of the cars have over 100,000 miles as of August, 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$302,357)	\$0
FY 2011	\$137,799	\$0

PL- 22205 - Nursing Home IGT Adjustment -

This request reflects a decrease in FY 2010 and a minimal increase in FY 2011 in Nursing Home Intergovernmental Payments relative to the FY 2008 base, for a net decrease in total funds of \$164,558 for the biennium. The minimal increase is due to the changes that are occurring at the federal level to restrict this type of funding. The state funds come from counties eligible to provide the matching funds on behalf of their county affiliated nursing facility.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,581,868	\$1,097,351
FY 2011	\$3,594,297	\$1,109,780

PL- 22206 - Annualize Nursing Home Provider Increase -

This request is for \$7.1 million in total funds, including \$2.2 million in general funds, \$50,502 in state special funds and \$4.9 million in federal funds over the biennium to annualize the provider rate increase that was appropriated for fiscal year 2009 for nursing facility providers and adjusts the funding levels between 2008 and 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$750,184	\$217,738
FY 2011	\$750,184	\$217,738

PL- 22207 - Annualize Home Based Provider Increase -

This request is for \$1.5 million in total funds, including \$435,476 in general funds to annualize the provider rate increase that was appropriated by the 2007 legislature for the home based program which includes the Medicaid funded home health, personal assistance and hospice programs. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$724,808	\$253,509
FY 2011	\$724,808	\$255,104

PL- 22208 - Annualize Community Based Waiver Increase -

This request is for \$1.5 million in total funds, including \$508,613 in general funds to annualize the provider rate increase that was appropriated by the 2007 legislature for the community services program which includes the Medicaid funded elderly and physically disabled waiver program. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund.

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SENIOR & LONG-TERM CARE-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$226,310	\$226,310
FY 2011	\$226,310	\$226,310

PL- 22209 - Annualize Aging Services Provider Increase -

This request is for \$452,620 in general funds to annualize the provider rate increase that was appropriated by the 2007 legislature for the aging services program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$380,165	\$0
FY 2011	\$389,160	\$0

PL- 22210 - MVH Restore Overtime/Holidays Worked. -

This request is for \$769,325 over the biennium from cigarette tax state special revenue funds to provide for adjustments in personal service costs for overtime, holiday pay, and differential pay. The request is based on an analysis of base year costs, contract changes, holiday staffing patterns and historical data.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,825	\$37,825
FY 2011	\$91,833	\$91,833

PL- 22211 - State Supplemental Payments -

This proposal requests \$129,658 in general funds for the biennium to address the anticipated cost of the State Supplemental payments. State Supplemental payments provide a supplement to SSI eligible individuals who reside in designated residential care facilities, such as community homes for persons with developmental disabilities, adult foster homes or assisted living facilities. Monthly benefits average \$94 with an administrative processing fee expected to be \$10.55 in 2010 and an increase to \$10.95 in 2011. State supplemental payments are 100 percent general funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$550,112	(\$234,307)
FY 2011	\$550,112	(\$233,097)

PL- 22212 - Annualize Waiver and Fund Switch -

The 2007 legislature provided funding for expansion for approximately 102 new service slots in the Medicaid Community Based Waiver program starting on 7/1/08 for Fiscal year 2008. Due to the timing of these funds, all 102 of these slots were not able to be allocated on July 1 and so are not fully reflected in the 2008 base expenditures. This request is for \$821,456 in state special funds, \$746,172 in federal funds and a reduction of \$467,404 in general funds for the biennium to annualize the slots that were distributed throughout FY 2008. This request also recognizes the change in funding from general fund to Medicaid initiatives account as appropriated in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$845,412	\$845,412
FY 2011	\$845,412	\$845,412

PL- 22213 - Annualize IGT Offset Funding -

The 2007 Legislature added \$2.8 million of general fund over the biennium to offset county nursing home intergovernmental transfer (IGT) state special revenue used as state Medicaid match for nursing home services and home based services, contingent on federal rule changes that would prohibit or restrict the use of IGT funds as state match or if the IGT program does not remain viable. This request is for an increase of \$1.7 million in general funds for the 2011 biennium, for both nursing facilities and home based services.

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SENIOR & LONG-TERM CARE-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,111,496	\$1,336,647
FY 2011	\$6,134,225	\$2,022,454

PL- 22214 - Home Based Caseload -

This proposal reflects the anticipated caseload adjustment for Medicaid home based services that include personal care, home health and hospice. Caseload is expected to grow at 5.4% per year with an estimated cost of \$10 million total funds over the biennium, including \$3.3 million in general funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,578,394	\$1,163,336
FY 2011	\$2,663,915	\$878,293

PL- 22215 - Nursing Home Caseload Adjustment -

This proposal reflects the anticipated decrease of .75% per year in the Medicaid Nursing Home caseload for the 2011 biennium when compared with the 2008 base, as well as addressing the impact of an adjustment necessary to the nursing home base budget for an accrual error that occurred at fiscal year end. This request is for \$6.2 million additional funds over the biennium, including \$1.9 million in general funds and \$4.3 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$1,001,433
FY 2011	\$0	\$1,354,138

PL- 22216 - Medicaid Nursing Home FMAP Adjustment -

This request provides an increase in general fund of \$2.3 million over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2010 and FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$204,504
FY 2011	\$0	\$276,529

PL- 22217 - Medicaid Waiver FMAP Adjustment -

This request provides an increase in general fund of \$481,033 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2010 and FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$203,817
FY 2011	\$0	\$275,601

PL- 22218 - Home Based Medicaid FMAP Adj -

This request provides an increase in general fund of \$479,418 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2010 and FY 2011.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$253,594	\$80,297
FY 2011	\$285,116	\$87,737

PL- 22219 - Operating Costs Adjustments -

This request is for \$538,710 total funds, including \$168,034 in general funds, to provide for a rate increase of 3% for contracted services. The request includes an adjustment to reflect services received during FY 2008 that were not billed until after year-end and so were not included in the base. It also includes a rent adjustment to reflect the division's move to non-DOA properties.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$153,895	\$0
FY 2011	\$153,895	\$0

PL- 22220 - Increase in Federal Aging Grants -

This request is for \$307,790 in federal funds over the biennium to address increases in several grants awards.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$263,650	\$0
FY 2011	\$263,650	\$0

PL- 22222 - MVH Operating Expenses -

This request is for \$527,300 over the biennium from cigarette tax state special revenue funds to provide for adjustments in operating costs intrinsic to the Montana Veterans Home that experience fluctuation due to the nature of the nursing home industry, and to replace the current three meal plan with a new five meal plan aimed at reducing waste.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,050,000	\$1,050,000
FY 2011	\$1,050,000	\$1,050,000

NP- 22101 - Continue Aging Services Funding -

This proposal adds \$950,000 of general funds and \$100,000 of state funds in each year of the biennium to support aging programs and grants administered by Area Agencies on Aging for the provision of aging services such as meals, and in-home assistance. The 2007 Legislature appropriated \$1,500,000 of general fund each year of the 2009 biennium, designated as one time only (OTO).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165,000	\$0
FY 2011	\$165,000	\$0

NP- 22102 - MVH Dom/Nursing Wing Facility Upgrades -

This proposal represents the estimated costs of two repair and maintenance projects at the Montana Veterans' Home (MVH). One will involve replacing flooring, doors and handrails in the Nursing wing hallway. The second project scheduled is a refurbishing of the 1970 VA Domiciliary rooms, including some repairs (new tiles, sinks, etc) and new furniture. This project will improve the Domiciliary living quarters, so they are similar to other assisted living facilities in the Flathead Valley. The estimated cost of both projects is \$165,000 each year of the biennium from state special revenue derived from cigarette taxes.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$124,727	\$40,000
FY 2011	\$1,858,160	\$600,000

NP- 22103 - HCBS Waiver Expansion -

This proposal appropriates approximately \$2 million total funds over the biennium, including \$640,000 in state general fund dollars to expand Medicaid Home and Community Based Waiver program (HCBS). This expansion will add about 5 new service slots in the first year and 73 in the second year of the biennium for an approximate total of 78 new service slots over the biennium for individuals waiting to access community services in home or assisted living settings, supported living, or heavy care slots such as ventilator or traumatic brain injury services. To be eligible for the waiver program an individual must be elderly or disabled, Medicaid eligible, and require nursing facility or hospital level of care. The majority of the recipients served meet the nursing facility level of care criteria. Because the waiver is not an entitlement, the program often has waiting lists, which require that some eligible people wait for services until additional resources are appropriated by the legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$55,470	\$0
FY 2011	\$55,488	\$0

NP- 22105 - MT Vets Home Safety Officer -

This request is for \$110,958 in state special funds to add 1.00 FTE for a safety officer at the Montana Veterans Home. Management believes that the FTE will pay for itself by the reduction of workman's compensation claims and the reduction of the cost of replacing staff that cannot work due to on the job injuries. The FTE would be responsible for the total facility safety program including on the job training and safety analysis.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,120,736	\$364,351
FY 2011	\$2,634,662	\$868,648

NP- 22106 - Provider Rate Increase - Nursing Home -

This proposal requests approximately \$3.7 million in total funds including \$1.2 million in general funds and \$2.5 million in federal funds over the biennium for a 1% provider rate increase in each year of the biennium for the Medicaid funded Nursing Facility Services program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$274,393	\$89,205
FY 2011	\$662,280	\$218,354

NP- 22107 - Provider Rate Increase - Home Based -

This proposal requests \$936,673 in total funds including \$307,559 in general funds and \$629,114 in federal funds over the biennium for a 1% provider rate increase in each year of the biennium for the Medicaid funded Home Based Services which include Personal Assistance, Home Health and Hospice.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$233,476	\$75,903
FY 2011	\$550,614	\$181,537

NP- 22108 - Provider Rate Increase - Comm. Based Waiver -

This proposal requests \$784,090 in total funds including \$257,440 in general funds and \$526,650 in federal funds over the biennium for a 1% provider rate increase in each year of the biennium for the Medicaid funded home and community based waiver program.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$86,112	\$86,112
FY 2011	\$203,082	\$203,082

NP- 22109 - Provider Rate Increase - Aging Services -

This proposal requests \$289,194 in general funds over the biennium for a 1% provider rate increase in each year of the biennium for Aging Services Programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$146,784	\$0
FY 2011	\$238,058	\$0

NP- 22112 - New APS Field Staff -

The request is to add \$448,388 in state special funds for FTE to address acuity levels in the 40-bed unit. Management of the facility performed an analysis of the resident acuity levels on the 40-bed unit at the request of employees in the annual employee survey. Within the past three years from November 11, 2004 to September 1, 2007, there is a 33% increase in activities of daily living and an 18% increase in the case mix index. This data was gathered from the Medicaid/Medicare RUG's report. Current staffing levels for day and afternoon shifts are three aides to 40 residents, approximately .075 aides per resident. The proposal is to increase the aide staffing pattern by 33% to approximately .098 aides per resident. That would add one additional aide per shift to the 40-bed unit. The request is to staff one Certified Nurse Aide on each shift for seven days each week or $1.6 \text{ FTE} \times 3 = 4.8 \text{ FTE}$.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,000	\$0
FY 2011	\$40,000	\$0

NP- 22114 - EMVH Facility Painting and Upgrades - OTO -

This request is for \$80,000 state special revenue for the biennium for one time only painting and repairs needed in the common areas as well as 23 resident rooms of the A and B wings due to high resident traffic and damage from resident wheelchairs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$223,874	\$0
FY 2011	\$224,514	\$0

NP- 22115 - MT Vets Home New CNAs FTE -

The request is to add \$448,388 in state special funds for FTE to address acuity levels in the 40-bed unit. Management of the facility performed an analysis of the resident acuity levels on the 40-bed unit at the request of employees in the annual employee survey. Within the past three years from November 11, 2004 to September 1, 2007, there is a 33% increase in activities of daily living and an 18% increase in the case mix index. This data was gathered from the Medicaid/Medicare RUG's report. Current staffing levels for day and afternoon shifts are three aides to 40 residents, approximately .075 aides per resident. The proposal is to increase the aide staffing pattern by 33% to approximately .098 aides per resident. That would add one additional aide per shift to the 40-bed unit. The request is to staff one Certified Nurse Aide on each shift for seven days each week or $1.6 \text{ FTE} \times 3 = 4.8 \text{ FTE}$.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$183,095	\$0
FY 2011	\$183,790	\$0

NP- 22117 - MVH Additional Aggregate RNs -

The request is for \$365,885 in state special funds to add 2.00 FTE to the Aggregate position numbers for RNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. If the facility can recruit and retain these types of employees to fill relief shifts the result is the reduction to temporary nursing services staff and a net savings to the facility.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$30,561	\$0
FY 2011	\$30,656	\$0

NP- 22118 - MVH Additional Aggregate LPNs -

The request is for \$61,217 in state special funds to add 0.50 FTE to the Aggregate position numbers for LPNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. If the facility can recruit and retain these types of employees to fill relief shifts the result is the reduction to Temporary Nursing Services Staff and a net savings to the facility.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$134,655	\$0
FY 2011	\$135,114	\$0

NP- 22119 - MVH Additional Aggregate CNAs -

The request is for \$169,769 in state special funds to add 3.00 FTE to the Aggregate position for CNAs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. If the facility can recruit and retain these types of employees to fill relief shifts the result is the reduction to Temporary Nursing Services Staff and a net savings to the facility.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$110,656	\$0
FY 2011	\$111,017	\$0

NP- 22120 - MVH Additional Aggregate Activity Positions -

The request is \$221,673 in state special funds for 3.00 Activity Aggregate FTE. This is the position that the facility uses to pay trainees hired to take the four week certified nurse aide Class. We hire 10 people x \$8.00 per hour for four weeks plus benefits. There are many advantages in offering on-site training by our own staff and by retaining the majority of these employees the facility reduces the cost of using Temporary Nursing Services staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$33,525	\$0
FY 2011	\$134,090	\$0

NP- 22122 - MVH Wage Increases Based On Wage Survey -

This proposal is to provide \$167,615 in state special funds to raise professional nurse and nurse's aide wages to make them competitive with other nursing homes in the Flathead Valley.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,529,160	\$2,000,000
FY 2011	\$5,456,203	\$2,000,000

NP- 22223 - Additional Funding for SLTC HCBS -

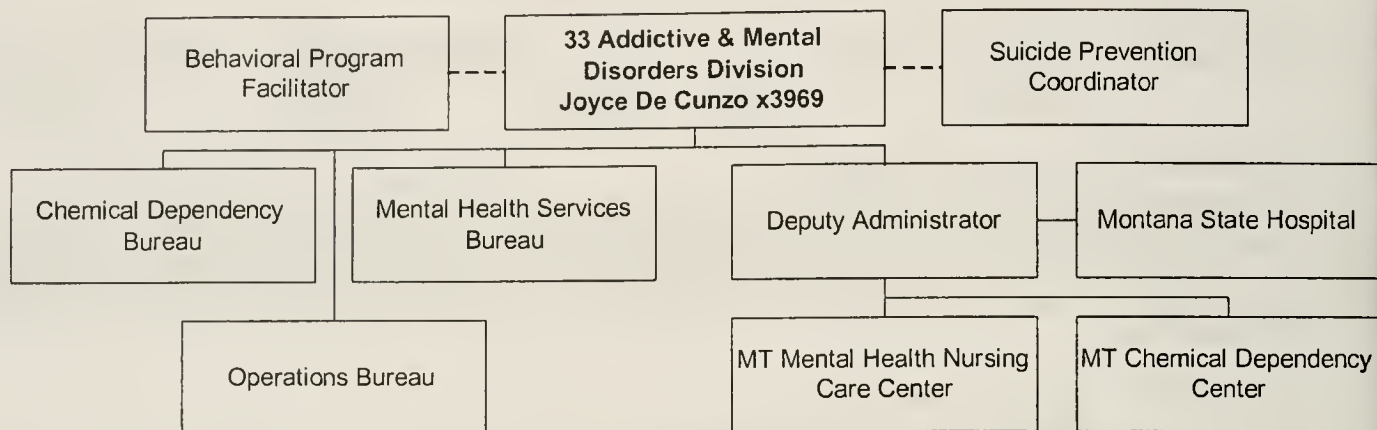
Rebalancing of the long-term care system by developing increased availability of home and community based services. Potential expenditures may include: reducing waiver waiting lists, increasing direct care worker wages, development grants to assist new service providers; improvement of long-term care assessment; a consolidated entry point; and additional counseling for clients. This request is for \$10,985,363 total for the biennium, which includes \$2 million in general fund each year.

Language Recommendations – "Funding in Montana Veterans' Home Contingency Fund (DP 22201) may be used only if federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2010 or fiscal year 2011 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee when the appropriation will be used."

"Funds in IGT Offset (DP 22213) may be used as Medicaid matching funds for nursing home services and home-based services for aged and physically disabled persons only if the county nursing home intergovernmental transfer program is not sufficient to reimburse county nursing homes a net payment of a least \$5 a day for Medicaid services and other nursing homes a net payment of at least \$2 a day for Medicaid services. IGT Offset must be used only to fund a shortfall in the amount of county funds transferred as part of the county nursing home intergovernmental transfer program that is appropriated as state match for Medicaid nursing home and home-based services."

PUBLIC HEALTH & HUMAN SERVICES-6901

ADDICTIVE & MENTAL DISORDERS-33



Program Description - The Addictive and Mental Disorders Division (AMDD) is responsible for providing alcohol and drug prevention services, treatment and aftercare services, and mental health treatment services. Alcohol and drug services are provided through inpatient and outpatient settings. Direct inpatient services are provided at the 76-bed Montana Chemical Dependency Center (MCDC) in Butte. Other inpatient, outpatient, and prevention services are provided through contracts with community-based programs around the state.

Community-based mental health services are delivered to eligible Medicaid and non-Medicaid individuals through a network of providers around the state. Non-Medicaid services are delivered through the Mental Health Services Plan (MHSP) and provide services to individuals earning up to 150 percent of the federal poverty level. The Montana State Hospital (MSH) at Warm Springs (189 licensed beds) and the Montana Mental Health Nursing Care Center (MMHNCC) at Lewistown (165 beds available / 75 beds budgeted) provide institutional services to individuals with mental illness. The services at MSH are typically of a short duration while services for residents at the MMHNCC are considered to be long term.

Statutory references: Mental health is in Title 53, Chapter 21, parts 1 through 7 and part 10, MCA, and P. L. 102-321, CFR. Chemical dependency is in Title 53, Chapters 1 and 24, MCA, and Part C, Title XIX of the Social Security Act.

Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	626.85	0.00	4.00	630.85	0.00	4.00	630.85
Personal Services	32,582,100	5,944,031	259,216	38,785,347	6,239,114	260,247	39,081,461
Operating Expenses	14,373,649	442,914	410,000	15,226,563	730,273	404,500	15,508,422
Equipment & Intangible Assets	227,741	0	0	227,741	0	0	227,741
Grants	9,947,378	701,128	813,962	11,462,468	701,078	828,273	11,476,729
Benefits & Claims	46,081,172	10,068,265	437,210	56,586,647	12,340,113	897,155	59,318,440
Debt Service	38,153	4,800	0	42,953	4,800	0	42,953
Total Costs	\$103,250,193	\$17,161,138	\$1,920,388	\$122,331,719	\$20,015,378	\$2,390,175	\$125,655,746
General Fund	55,876,309	8,832,266	1,435,275	66,143,850	10,220,368	1,683,059	67,779,736
State/Other Special	9,817,772	2,691,210	272,932	12,781,914	2,822,082	272,460	12,912,314
Federal Special	37,556,112	5,637,662	212,181	43,405,955	6,972,928	434,656	44,963,696
Total Funds	\$103,250,193	\$17,161,138	\$1,920,388	\$122,331,719	\$20,015,378	\$2,390,175	\$125,655,746

PUBLIC HEALTH & HUMAN SERVICES-6901 ADDICTIVE & MENTAL DISORDERS-33

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,590	\$11,438
FY 2011	\$23,811	\$13,227

PL- 33101 - AMDD Operations Present Law Adjustments -

This decision package requests \$20,590 in FY 2010 and \$23,811 in FY 2011 for increases in software maintenance of medical records system and data consultants for IT system improvements at Montana State Hospital. This funding request includes \$24,665 of general fund over the biennium and \$19,736 in other funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,595	\$8,108
FY 2011	\$21,583	\$11,990

PL- 33102 - AMDD Rent Increase -

This decision package requests \$36,178 over the biennium for rent increases at AMDD headquarters building in Helena. The request includes \$20,098 in general fund and \$16,080 in other funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

PL- 33201 - Medicaid FMAP - Chemical Dependency -

This decision package reflects the new federal participation rate change (FMAP). This adjustment is for \$38,710 over the biennium in state special revenue fund and a reduction in federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$72,723	\$0
FY 2011	\$106,491	\$0

PL- 33202 - CD Medicaid Caseload Adjustment -

Chemical Dependency Medicaid services are estimated to increase by 2.2% each year of the 2011 biennium. This budget request is for \$72,723 in FY 2010 (\$23,642 in SSR and \$49,081 in federal funds) and \$106,491 in FY 2011 (\$35,110 in SSR and \$71,381 in federal funds) to fund these services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$119,212	\$119,212
FY 2011	\$119,017	\$119,017

PL- 33203 - Meth & CD Regional Services Expansion -

This budget request continues the delivery of an appropriate continuum of services to best meet the treatment needs of individuals with meth and other drug and alcohol addictions. Correctional offenders and other individuals with co-occurring (mental health and substance abuse disorders) illnesses will continue to benefit from these services.

This decision package requests \$119,212 general fund in FY 2010 and \$119,017 general fund in FY 2011 to support continued methamphetamine treatment services in seven residential and supportive living services located throughout Montana.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$446,137	\$0
FY 2011	\$446,087	\$0

PL- 33206 - Strategic Prevention Framework Incentive Grant -

This present law adjustment requests federal grant authority of \$446,137 in FY 2010 and \$446,087 in FY 2011. This grant will assist in helping communities develop 'how to' manuals for their prevention activities to include integrating data developing a licensure for prevention professionals and building data and evaluation of knowledge and use. Funding will be used to fund a portion of existing staff and to provide community grants.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$243,190	\$0
FY 2011	\$250,486	\$0

PL- 33301 - MCDC Restore OT/Holidays worked/Aggregates -

This decision package request \$243,190 in FY 2010 and \$250,486 in FY 2011 in state special revenue funds for personal services costs that were removed from the FY 2008 base budget for the Montana Chemical Dependency Center. This includes overtime and holidays worked, with benefits, and are costs related to operating a medical facility with 24 hour staffing. It also includes funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in staff training classes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,503	\$0
FY 2011	\$153,099	\$0

PL- 33302 - MCDC Present Law Adjustments -

Montana Chemical Dependency Center is an inpatient chemical dependency treatment facility administered by the state. This decision package request \$100,503 in SSR funds for FY 2010 and \$153,099 in SSR funds for FY 2011 to address inflation increases for pharmacy, laboratory, outside medical and dental, and facility rent and food services which are essential costs related to operating the facility.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$665,158	\$0
FY 2011	\$665,158	\$0

PL- 33306 - MHSP Pharmacy Benefit - Biennial -

This request reflects caseload growth (\$562,726 over the biennium) as well as increased costs for drugs in the Mental Health Services Plan (MHSP) pharmacy program. The budget request is for \$1,330,316 over the biennium in state special revenue. This appropriation is requested to be biennial.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$343,319
FY 2011	\$0	\$494,855

PL- 33401 - Medicaid FMAP - Mental Health -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$838,174 over the biennium in general fund and a reduction in federal funds of the same amount.

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ADDICTIVE & MENTAL DISORDERS-33

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,474,933	\$1,129,701
FY 2011	\$5,713,013	\$1,883,580

PL- 33402 - Medicaid Caseload Adjustment - Mental Health -

This decision package requests \$3,474,933 in FY 2010 including \$1,129,701 general fund and \$5,713,013 in FY 2011 including \$1,883,580 general fund for Medicaid caseload and utilization growth in existing mental health services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$104,991	\$104,991
FY 2011	\$104,991	\$104,991

PL- 33404 - Annualize Mental Health Drop-In Centers -

This budget request seeks \$104,991 in general fund each year of the biennium to support the five community mental health drop-in centers and to assist with start up for additional programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$24,687	\$24,687
FY 2011	\$24,665	\$24,665

PL- 33405 - Annualize Suicide Prevention Program -

This present law adjustment requests \$24,687 in general fund for FY 2010 and \$24,665 in general fund for FY 2011 for contracted services provided by the two call center operations of the suicide hotline in Great Falls and in Bozeman.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,429,173	\$1,429,173
FY 2011	\$1,429,173	\$1,429,173

PL- 33407 - Annualize 72 hr Community Crisis Stabilization -

The present law adjustment requests annualization of the community crisis stabilization funds in the amount of \$1,429,173 general fund for FY 2010 and FY 2011. The FY 2008 program was started March 1, 2008. Federal fund authority was incorrectly appropriated for FY 2008, as the program provides services to non-Medicaid eligible individuals, and therefore, is not eligible for federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,764	\$0
FY 2011	\$18,962	\$0

PL- 33410 - Mental Health Community Services Development -

This decision package requests \$3,764 SSR funds in FY 2010 and \$18,962 SSR funds in FY 2011 for operating costs (office space, travel, and leased vehicles, etc.) for five half-time FTE , who provide peer support to discharged Montana State Hospital clients to assist in community re-integration.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,526,278	\$0
FY 2011	\$4,526,278	\$0

PL- 33414 - Annualize Home & Community Based Services Waiver -

This decision package seeks \$4,526,278 each year of the biennium (\$1,471,493 in SSR funds and \$3,054,785 in federal funds) to annualize the costs of 125 slots for the home and community-based Medicaid Waiver for adults with severe and disabling mental illness.

PUBLIC HEALTH & HUMAN SERVICES-6901 ADDICTIVE & MENTAL DISORDERS-33

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,914,789	\$2,914,789
FY 2011	\$3,002,233	\$3,002,233

PL- 33501 - MSH Restore OT/Holiday Worked /Aggregates -

This request seeks \$2,914,789 general fund in FY 2010 and \$3,002,233 general fund in FY 2011 for personal services costs that were removed from the FY 2008 base budget for Montana State Hospital. This includes overtime, differential, holidays worked, and doctor on-call pay and are costs related to operating a medical facility with 24 hour staffing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$531,713	\$531,713
FY 2011	\$619,767	\$619,767

PL- 33502 - MSH Present Law Adjustments -

This decision package requests \$531,713 general fund in FY 2010 and \$619,767 general fund in FY 2011 for the increasing costs of pharmacy, medical expenses for residents without Medicare, Medicaid or personal funds, food services, and computing software upgrades at Montana State Hospital (MSH).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$618,310)	(\$618,310)
FY 2011	(\$618,310)	(\$618,310)

PL- 33503 - Reduce MSH Base Budget -

In FY 2008, the Montana State Hospital transferred \$775,000 from personal services and benefits (general fund) to cover additional operating costs at the hospital. \$618,310 of general fund was then incorporated in the 2008 base budget. This request will reduce the base budget by \$618,310 and bring the budget back to the appropriated 2008 level. The department has introduced a new proposal, NP33775, to request additional general fund support.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$451,474	\$451,474
FY 2011	\$474,367	\$474,367

PL- 33601 - MMHNCC Restore OT/Holiday Worked/Aggregates -

This request is for \$451,474 in FY 2010 and \$474,367 in FY 2011 of general fund to fund personal services costs that are zero-based from the FY 2008 base budget for Montana Mental Health Nursing Care Center (MMHNCC). This includes overtime, differential, and holidays worked and are costs related to operating a medical facility with 24 hour staffing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$192,476	\$192,476
FY 2011	\$302,479	\$302,479

PL- 33602 - MMHNCC Present Law Adjustments -

This present law adjustment request is for inflation increases in pharmacy, outside medical, replacement equipment, and nursing facility bed tax, which are essential costs related to operating the Montana Mental Health Nursing Care Center. AMDD requests \$192,476 in general fund in FY 2010 and \$302,479 in general fund in FY 2011.

PUBLIC HEALTH & HUMAN SERVICES-6901 ADDICTIVE & MENTAL DISORDERS-33

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$800,000	\$800,000
FY 2011	\$800,000	\$800,000

NP- 33408 - Annualize Intensive Community Services (Goal 189) -

This decision package seeks approval of \$1,600,000 general fund for the 2011 biennium to provide community-based services to uninsured individuals, who would otherwise have difficulty in transitioning from the Montana State Hospital to community services.

This decision package requests funds to continue the Intensive Community Services (Goal 189) agency initiative started in FY 2008. It is estimated that the program will cost approximately \$1,300,000 general fund in FY 2009. FY 2008 expenditures were \$218,860. It is the expectation of the department that the program can be successfully funded at a slightly lower level than FY 2009 by discontinuing the daily payment guarantee for group home beds. The initiative is designed to enable the Montana State Hospital to maintain its daily census as close to 189 as possible by developing new community services to serve the uninsured individuals needing more a intensive level of community care.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$451,172	\$235,275
FY 2011	\$925,428	\$483,059

NP- 33701 - Provider Rate Increase - AMDD -

This new proposal requests a 1% provider rate increase for each year of the 2011 biennium. An increase of \$718,334 general fund, \$11,429 state special revenue, and \$646,837 federal funds for a total increase of \$1,376,600 over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$115,534	\$0
FY 2011	\$116,019	\$0

NP- 33702 - MCDC Modified Positions -

This new proposal requests \$231,553 in state special revenue to continue a modified position approved in SFY 2008.

This new proposal requests to continue 1.00 modified FTE for an Advanced Practice Registered Nurse (APRN) added as a modified position in SFY 2008. The APRN is intended to provide assistance to the single medical physician employed by MCDC on a regular and on-call basis. Without the APRN position, the physician is responsible for all on-call hours evenings and weekends. Census levels have remained higher than previous years and medical staff needs to be readily available to provide comprehensive health screenings.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$153,682	\$0
FY 2011	\$148,728	\$0

NP- 33707 - MCDC Staff Positions -

This new proposal requests \$302,410 in state special revenue for the 2011 biennium to add one registered nurse and two case managers at MCDC. The request includes \$287,910 in personal services and \$14,500 in operating expenses.

PUBLIC HEALTH & HUMAN SERVICES-6901 **ADDICTIVE & MENTAL DISORDERS-33**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$400,000	\$400,000
FY 2011	\$400,000	\$400,000

NP- 33775 - Restore Operating Base Budget Reduction @ MSH -

This budget request seeks \$400,000 in general fund each year of the biennium to partially offset the reduction to base operating costs (PL 33503). This decision package would restore Montana State Hospital (MSH) actual operating expenditures. In FY 2008, operating expenditures exceeded the budget due to increased workload from the high census and other miscellaneous operating cost increases (e.g., pharmacy management fees, building and grounds maintenance, and utilities. Originally, \$775,000 were transferred from personal services and benefits to operating to cover \$618,310 of expenditures. \$156,690 reverted as unspent funds at year end.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION C: NATURAL RESOURCES & TRANSPORTATION

Dept of Fish, Wildlife & Parks
Dept of Environmental Quality
Dept of Transportation

Dept of Livestock
Dept of Natural Resources & Conservation
Dept of Agriculture

OBPP Staff:

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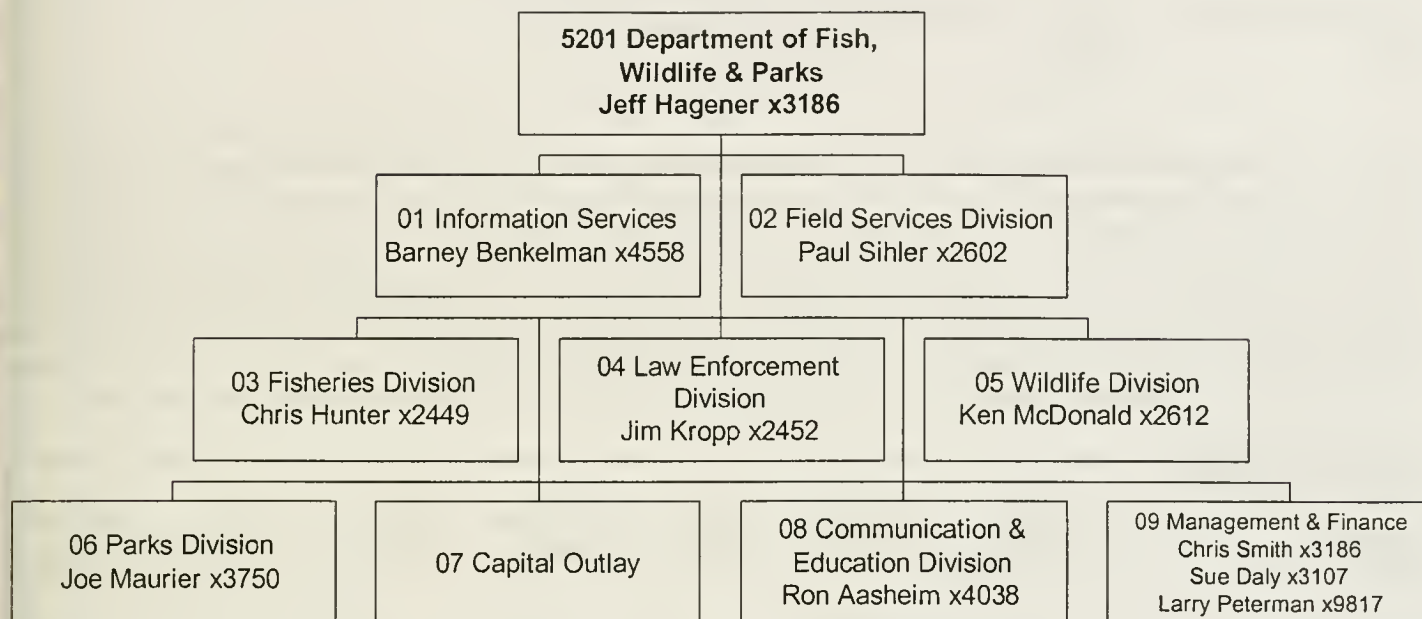


GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



DEPT OF FISH, WILDLIFE & PARKS-5201

Please note that this agency also contains proprietary funding (see Section P).

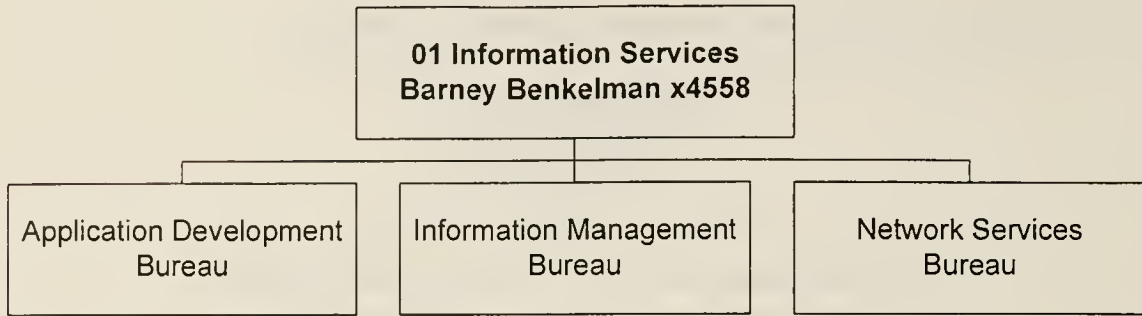


Mission Statement - Montana Fish, Wildlife & Parks, through its employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

Statutory Authority - Title 87 and 23, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	678.60	9.73	3.75	692.08	9.73	3.75	692.08
Personal Services	35,172,548	4,436,892	174,800	39,784,240	4,574,442	174,891	39,921,881
Operating Expenses	27,384,975	2,839,514	739,032	30,963,521	2,895,957	735,516	31,016,448
Equipment & Intangible Assets	1,060,192	(144,980)	0	915,212	(144,980)	0	915,212
Capital Outlay	166,889	0	55,000	221,889	0	55,000	221,889
Grants	1,032,521	(47,000)	0	985,521	(47,000)	0	985,521
Benefits & Claims	4,850	0	0	4,850	0	0	4,850
Transfers	24,374	75,278	0	99,652	75,278	0	99,652
Total Costs	\$64,846,349	\$7,159,704	\$968,832	\$72,974,885	\$7,353,697	\$965,407	\$73,165,453
General Fund	0	0	500,000	500,000	0	500,000	500,000
State/Other Special	50,860,770	5,967,807	91,370	56,919,947	6,093,378	88,718	57,042,866
Federal Special	13,985,579	1,191,897	377,462	15,554,938	1,260,319	376,689	15,622,587
Total Funds	\$64,846,349	\$7,159,704	\$968,832	\$72,974,885	\$7,353,697	\$965,407	\$73,165,453

**DEPT OF FISH, WILDLIFE & PARKS-5201
INFORMATION SERVICES DIVISION-01**



Program Description - Information Services provides information technology and information management services to the entire department including, but not limited to: network creation and administration; hardware and off-the-shelf software procurement and configuration; support of automated license sales and drawings; Intranet and Internet communications; software development, deployment and support; and GIS, GPS, and all database management.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	35.00	4.50	0.00	39.50	4.50	0.00	39.50
Personal Services	2,254,989	428,872	0	2,683,861	438,066	0	2,693,055
Operating Expenses	1,694,064	247,924	0	1,941,988	244,661	0	1,938,725
Equipment & Intangible Assets	28,172	25,000	0	53,172	25,000	0	53,172
Grants	69,389	0	0	69,389	0	0	69,389
Total Costs	\$4,046,614	\$701,796	\$0	\$4,748,410	\$707,727	\$0	\$4,754,341
State/Other Special	3,922,115	695,165	0	4,617,280	700,138	0	4,622,253
Federal Special	124,499	6,631	0	131,130	7,589	0	132,088
Total Funds	\$4,046,614	\$701,796	\$0	\$4,748,410	\$707,727	\$0	\$4,754,341

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

PL- 101 - Information Services, Contracted Services to FTE -

The executive recommends redirecting operations funds currently utilized for contracted services to create 3.00 FTE. Over the last couple biennia, technology use has continued to grow, requiring contracted staff as augmentation simply to get day-to-day development and support work accomplished. This request is not for additional funding but is to convert costly contract costs into more effective internal positions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

PL- 102 - Information Services, Modified FTE -

This request is for 1.50 FTE to make permanent current modified positions. Over the past couple of biennia, workload necessitated creation of modified positions simply to get the work accomplished. Since the needs continue, this request would make the positions permanent.

DEPT OF FISH, WILDLIFE & PARKS-5201
INFORMATION SERVICES DIVISION-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$53,700	\$0
FY 2011	\$50,000	\$0

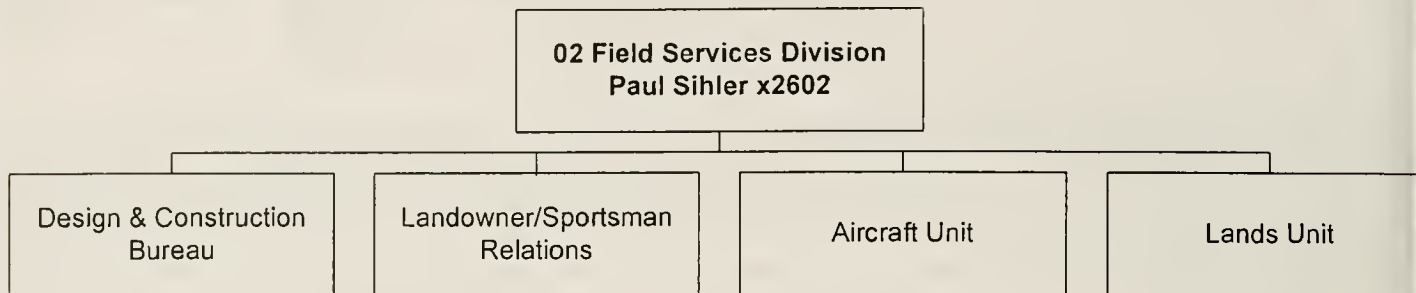
PL- 103 - Core Technology Replacement -

This proposal is for \$103,700 of state special funds across the biennium to replace aging core Information Technology Infrastructure in FWP facilities. As more demands have been placed on technology to accomplish agency business, expansion and replacement of data processing infrastructure has become critical. This base adjustment would allow the Information Services Division to engage in proactive replacement of technology in accordance with the schedule recommended in the Enterprise Policy.

DEPT OF FISH, WILDLIFE & PARKS-5201

FIELD SERVICES DIVISION-02

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Field Services Division provides services in the following areas. The Landowner Sportsman Relations Unit establishes and maintains communications with users, resource-based, organizations and individuals; provides coordination for FWP weed management, livestock reimbursement, and landowner assistance functions; and administers the Living With Wildlife, Game Damage, Block Management, and Access Montana hunting access enhancement programs. The Living With Wildlife program provides grants to agencies, local government, and non-government organizations to reduce human/wildlife conflicts in urban and suburban settings. The Game Damage program provides assistance to landowners in minimizing impacts of game animals to property and crops. The Block Management and Access Montana programs provide tangible benefits to landowners to offset potential impacts associated with public hunting access on private property or to obtain public hunting access to public land.

The Design and Construction Bureau administers the department's Crossing the Barriers program and provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas.

The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation for the department.

The Land Unit is responsible for the real estate functions of the department, including the preparation of conservation easement terms and amendments, acquisition and disposal of real estate and real property, and management of all permanent land records.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	46.05	0.00	0.00	46.05	0.00	0.00	46.05
Personal Services	2,194,034	256,148	0	2,450,182	266,630	0	2,460,664
Operating Expenses	7,356,717	1,033,712	0	8,390,429	1,100,404	0	8,457,121
Equipment & Intangible Assets	35,476	0	0	35,476	0	0	35,476
Grants	30,682	0	0	30,682	0	0	30,682
Benefits & Claims	4,850	0	0	4,850	0	0	4,850
Total Costs	\$9,621,759	\$1,289,860	\$0	\$10,911,619	\$1,367,034	\$0	\$10,988,793
Slate/Other Special	9,159,392	1,260,112	0	10,419,504	1,325,670	0	10,485,062
Federal Special	462,367	29,748	0	492,115	41,364	0	503,731
Total Funds	\$9,621,759	\$1,289,860	\$0	\$10,911,619	\$1,367,034	\$0	\$10,988,793

**DEPT OF FISH, WILDLIFE & PARKS-5201
FIELD SERVICES DIVISION-02**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$850,000	\$0
FY 2011	\$850,000	\$0

PL- 201 - Block Management -

This request would increase spending authority for the Hunting Access Enhancement Program by \$850,000 of state special revenue in both FY 2010 and FY 2011. Under 87-1-268, MCA, the FWP Commission annually sets the price for the outfitter-sponsored non-resident big game combination license (B-10) and non-resident deer combination licenses (B-11). These license prices are set at a market rate intended to sell as close to but not more than an average of 5,500 B-10 licenses and 2,300 B-11 licenses each year, calculated over a 5 year period. Because the price of the B-10 and B-11 licenses has continued to increase, additional funding is now available for the Hunter Access Enhancement Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$94,991	\$0
FY 2011	\$149,291	\$0

PL- 202 - Taxes and Leases -

The executive recommends approval of budget authority to cover tax liabilities for department lands which were approved by the previous legislature and to continue adjustments for other lands based upon the current rate of increase in tax payments for FY 2010 and FY 2011. These increases amount to \$94,991 in FY 2010 and \$149,291 in FY 2011 of state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$23,000	\$0
FY 2011	\$23,000	\$0

PL- 203 - Game Damage Herders -

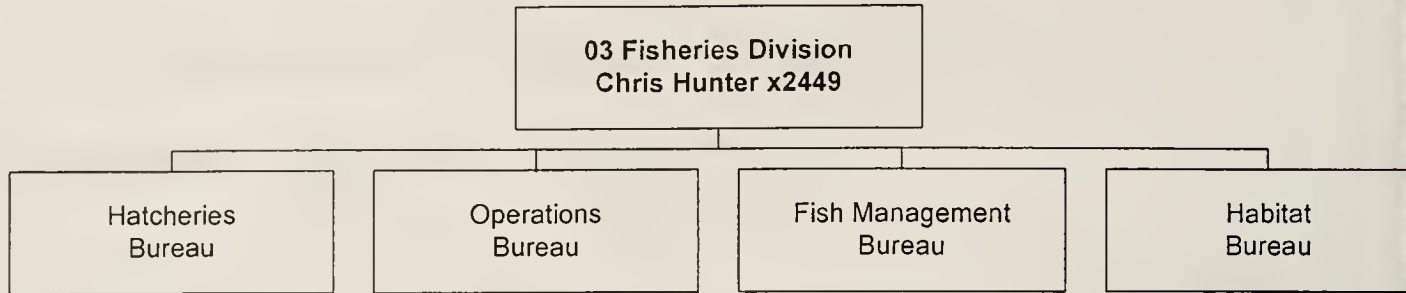
This request will restore \$23,000 of state special revenue in each year of the biennium in operations to the game damage program. Funds are used to hire local area ranch hands as short term workers under a modified level FTE to herd game animals away from crops and stored hay/grain as a means to mitigate game damage on private property in certain locations. Because of the way personal services are funded for these types of short-term workers, the expenditures were not carried forward in the base budget and need to be restored.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,299	\$0
FY 2011	\$11,496	\$0

PL- 204 - Aircraft Rate Adjustment -

This state special revenue request is to adjust aircraft use costs due to inflationary and rate increases for FWP's internal fleet of aircraft. Due to rising fuel and maintenance costs, additional revenue of \$6,299 in FY 2010 and \$11,496 in FY 2011 is needed to safely operate the fleet.

DEPT OF FISH, WILDLIFE & PARKS-5201 FISHERIES DIVISION-03



Program Description - The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

- operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
- regulates angler harvests;
- monitors fish populations; and
- provides and maintains adequate public access.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	145.44	0.00	1.75	147.19	0.00	1.75	147.19
Personal Services	7,430,128	878,054	90,763	8,398,945	901,387	90,807	8,422,322
Operating Expenses	4,894,962	170,930	270,000	5,335,892	201,140	270,000	5,366,102
Equipment & Intangible Assets	336,001	0	0	336,001	0	0	336,001
Capital Outlay	0	0	55,000	55,000	0	55,000	55,000
Grants	0	0	0	0	0	0	0
Total Costs	\$12,661,091	\$1,048,984	\$415,763	\$14,125,838	\$1,102,527	\$415,807	\$14,179,425
General Fund	0	0	250,000	250,000	0	250,000	250,000
State/Other Special	4,855,689	485,873	71,278	5,412,840	508,259	71,297	5,435,245
Federal Special	7,805,402	563,111	94,485	8,462,998	594,268	94,510	8,494,180
Total Funds	\$12,661,091	\$1,048,984	\$415,763	\$14,125,838	\$1,102,527	\$415,807	\$14,179,425

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$
FY 2011	\$25,000	\$

PL- 302 - Private Lands Fishing Access -

The Private Land Fishing Access program was created by the 2001 Legislature as a means of reimbursing landowner for costs associated with allowing public access for fishing. Current funding for this program is \$25,000 per year and this request would increase the state special funding to \$50,000 for each year of the biennium. The potential for more participation exists but is currently limited to the dollars available.

**DEPT OF FISH, WILDLIFE & PARKS-5201
FISHERIES DIVISION-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,897	\$0
FY 2011	\$19,888	\$0

PL- 304 - Aircraft Rate Adjustment -

This state special and federal special revenue request is to adjust aircraft use costs due to inflationary and rate increases for FWP's internal fleet of aircraft. Due to rising fuel and maintenance costs, additional revenue of \$10,897 in FY 2010 and \$19,888 in FY 2011 is needed to safely operate the fleet.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165,763	\$0
FY 2011	\$165,807	\$0

NP- 301 - Invasive Species Program -

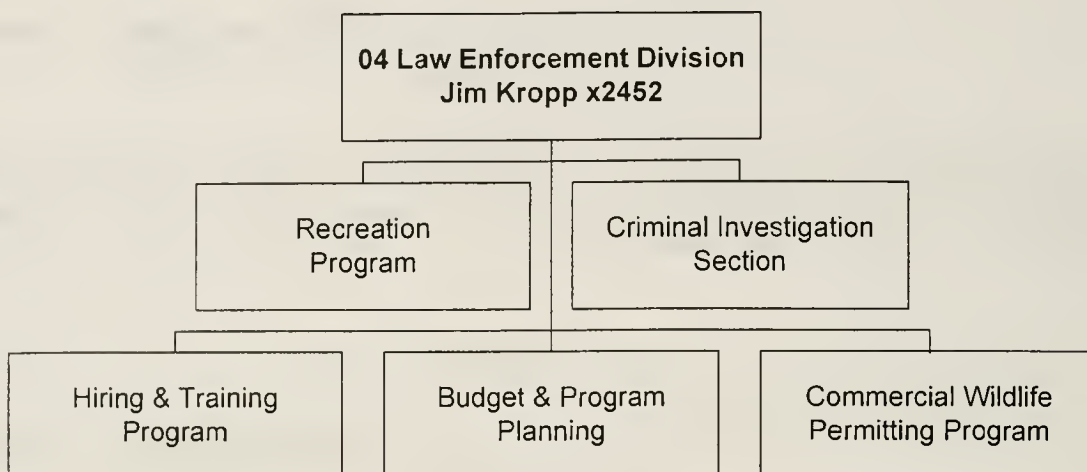
This request is part of the Governor's Weed/Invasive Species initiative and will continue FWP's current Aquatic Nuisance Species Program and Weed Management Program. The current Aquatic Nuisance Species (ANS) program is funded with a grant from the U.S. Fish and Wildlife Service (USFWS) and with additional financial support from the Pacific States Marine Fisheries Commission (PSMFC). USFWS funding is expected to continue to decline and PSMFC funding will end in FY 2009. This request will provide base funding for both programs to support 1.75 FTE currently allocated as modified FTE and will cost \$165,763 in FY 2010 and \$165,807 in FY 2011 of state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$250,000	\$250,000
FY 2011	\$250,000	\$250,000

NP- 303 - State Wildlife Grants, Fisheries - BIEN/OTO -

This one-time-only budget request is for \$500,000 general fund across the biennium to implement the Montana Comprehensive Fish and Wildlife Conservation Strategy as initially funded in the 2007 Legislature. Congress has provided annual federal funding through the State Wildlife Grants (SWG) program to implement the comprehensive plan, but that funding requires a 1:1 non-federal match. Funds will be used to restore and/or protect fish and aquatic habitats identified in the strategic plan.

DEPT OF FISH, WILDLIFE & PARKS-5201 ENFORCEMENT DIVISION-04



Program Description - The Law Enforcement Division is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. The division also enforces the laws and regulations relative to lands or waters under agency jurisdiction and the recreation programs associated with the public lands and waters. These include programs such as state parks, fishing access sites, state lands, boating safety, snowmobiles, and off highway vehicles, outfitters/guides block management patrols, and stream access enforcement. Other duties include commercial wildlife permitting, hunter education, public presentations, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	113.43	0.00	0.00	113.43	0.00	0.00	113.43
Personal Services	6,547,287	749,929	0	7,297,216	779,925	0	7,327,212
Operating Expenses	1,919,610	110,408	0	2,030,018	122,362	0	2,041,972
Equipment & Intangible Assets	96,785	0	0	96,785	0	0	96,785
Grants	15,600	0	0	15,600	0	0	15,600
Total Costs	\$8,579,282	\$860,337	\$0	\$9,439,619	\$902,287	\$0	\$9,481,569
State/Other Special	8,215,647	866,908	0	9,082,555	909,205	0	9,124,852
Federal Special	363,635	(6,571)	0	357,064	(6,918)	0	356,717
Total Funds	\$8,579,282	\$860,337	\$0	\$9,439,619	\$902,287	\$0	\$9,481,569

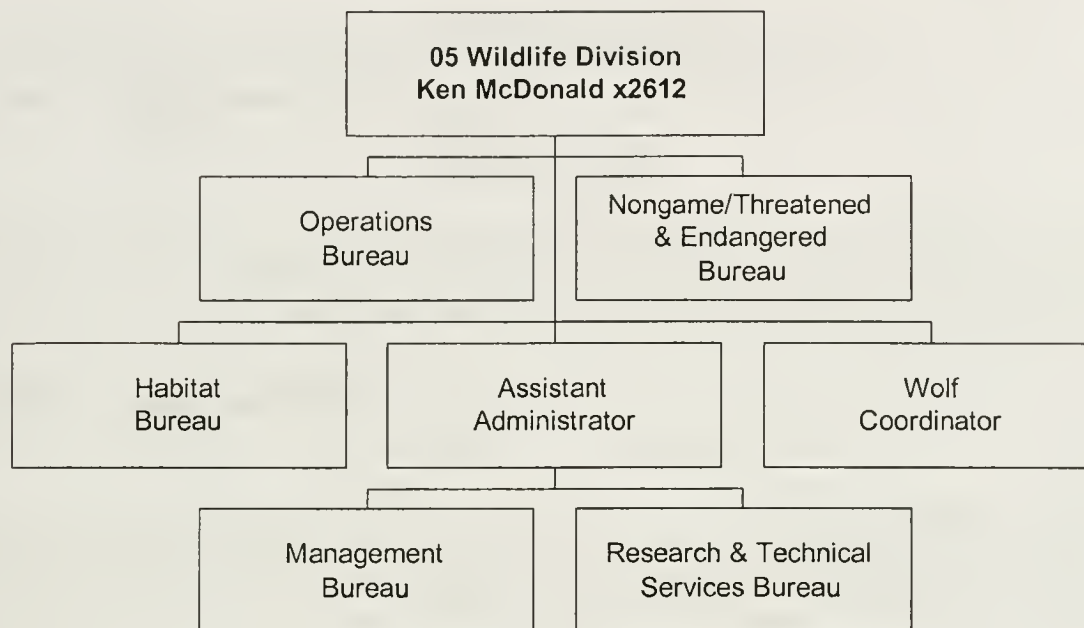
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$
FY 2011	\$200,000	\$

PL- 401 - Warden Overtime -

This budget request is recommended to restore state and federal special revenue of \$200,000 each year of the 2011 biennium for overtime compensation for the Law Enforcement Division. The request is necessary because overtime is zero-based in the budgeting process. This proposal is an important management tool in providing flexible and essential enforcement services during holidays and peak work periods to address priority work issues.

**DEPT OF FISH, WILDLIFE & PARKS-5201
WILDLIFE DIVISION-05**



Program Description - The Wildlife Division is responsible for the department's statewide Wildlife Management Program, which enhances the use of Montana's renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public, including non-game wildlife, and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages animals legislatively categorized as big game, nongame wildlife, game birds, furbearers, and threatened and endangered species.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	103.56	0.00	2.00	105.56	0.00	2.00	105.56
Personal Services	5,379,203	878,558	84,037	6,341,798	902,070	84,084	6,365,357
Operating Expenses	3,120,839	282,543	442,938	3,846,320	340,942	442,891	3,904,672
Equipment & Intangible Assets	46,090	0	0	46,090	0	0	46,090
Capital Outlay	166,889	0	0	166,889	0	0	166,889
Grants	110,000	0	0	110,000	0	0	110,000
Total Costs	\$8,823,021	\$1,161,101	\$526,975	\$10,511,097	\$1,243,012	\$526,975	\$10,593,008
General Fund	0	0	250,000	250,000	0	250,000	250,000
State/Other Special	4,635,546	656,443	0	5,291,989	698,275	0	5,333,821
Federal Special	4,187,475	504,658	276,975	4,969,108	544,737	276,975	5,009,187
Total Funds	\$8,823,021	\$1,161,101	\$526,975	\$10,511,097	\$1,243,012	\$526,975	\$10,593,008

**DEPT OF FISH, WILDLIFE & PARKS-5201
WILDLIFE DIVISION-05**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$91,000	\$0
FY 2011	\$91,000	\$0

PL- 502 - Auction Accounts -

This request is for a restoration of base state special revenue funding of \$91,000 per year. Bighorn sheep funds will be used for animal transplant, herd health assessment, and enhanced survey and inventory efforts; mountain goat funds for animal transplant and herd health assessment; and elk funds for herd health assessment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$0
FY 2011	\$25,000	\$0

PL- 503 - Nongame Wildlife Funding -

Montana residents voluntarily donate funds for use in conserving the state's nongame wildlife and to implement the nongame program. This state special revenue increase of \$25,000 per year is needed to maintain consistent levels of survey and inventory and research that have been impacted by inflation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,000	\$0
FY 2011	\$40,000	\$0

PL- 504 - Migratory Bird Funding -

This budget request of \$40,000 state special revenue for both FY 2010 and FY 2011 is for the increased costs to maintain and restore habitat during the implementation of the migratory bird habitat program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,151	\$0
FY 2011	\$109,776	\$0

PL- 505 - Aircraft Rate Adjustment -

This state special and federal special revenue request is to adjust aircraft use costs due to inflationary and rate increases for FWP's internal fleet of aircraft. Due to rising fuel and maintenance costs, additional revenue of \$60,151 in FY 2010 and \$109,776 in FY 2011 is needed to safely operate the fleet.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$526,975	\$250,000
FY 2011	\$526,975	\$250,000

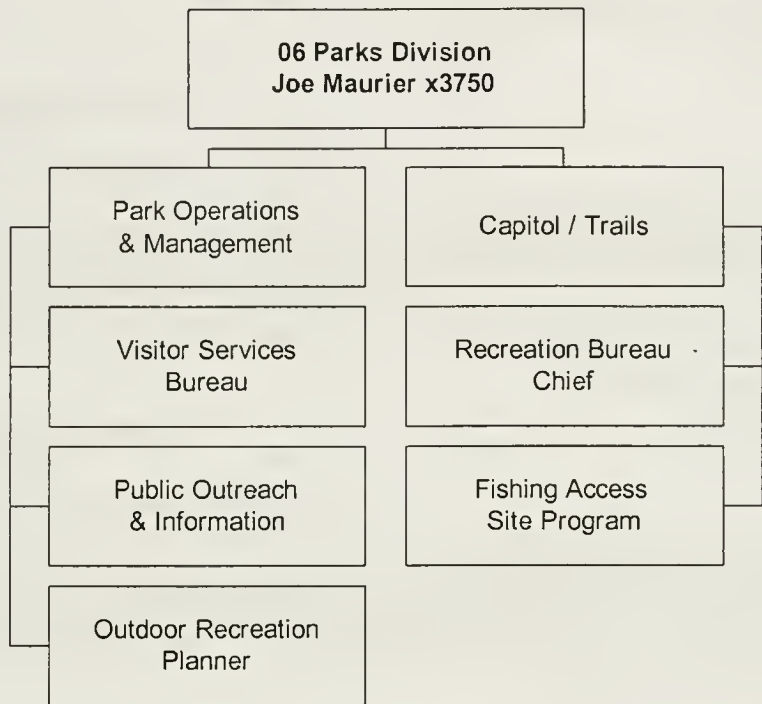
NP- 501 - State Wildlife Grants, Wildlife - BIEN -

This budget request is for \$500,000 general fund for the 2011 biennium, for restoration of \$276,975 federal special revenue per year, and to make permanent 2.00 modified FTE which will enable the implementation of Montana's Comprehensive Fish & Wildlife Management Strategy. Congress has provided annual federal funding through the State Wildlife Grants (SWG) program to implement the comprehensive plan; but that funding requires a 1:1 non-federal match. Funds will be used for conservation of wildlife and habitats identified in the strategic plan. The general fund portion of the request is proposed as one-time-only funding - the federal special revenue is requested as ongoing.

DEPT OF FISH, WILDLIFE & PARKS-5201

PARKS DIVISION-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 50 parks, 13 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 320 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants and local government recreation grants.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	110.33	5.23	0.00	115.56	5.23	0.00	115.56
Personal Services	4,599,225	777,326	0	5,376,551	795,953	0	5,395,178
Operating Expenses	2,661,863	302,487	0	2,964,350	309,559	0	2,971,422
Equipment & Intangible Assets	479,632	(169,980)	0	309,652	(169,980)	0	309,652
Grants	492,317	(47,000)	0	445,317	(47,000)	0	445,317
Total Costs	\$8,233,037	\$862,833	\$0	\$9,095,870	\$888,532	\$0	\$9,121,569
State/Other Special	8,013,966	793,370	0	8,807,336	818,034	0	8,832,000
Federal Special	219,071	69,463	0	288,534	70,498	0	289,569
Total Funds	\$8,233,037	\$862,833	\$0	\$9,095,870	\$888,532	\$0	\$9,121,569

**DEPT OF FISH, WILDLIFE & PARKS-5201
PARKS DIVISION-06**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$99,925	\$0
FY 2011	\$99,968	\$0

PL- 601 - Parks Maintenance and Operations Staff -

This state special revenue request is for the establishment of 2.08 FTE and \$99,925 for FY 2010 and \$99,968 for FY 2011. This base adjustment will fund summer employees as well as managers to help the Parks Division complete park maintenance tasks such as latrine upkeep, vandalism control and repair, weed control, and visitor assistance. These field staff would be located statewide near Billings, Bozeman, Whitefish, Great Falls, and Missoula.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$99,318	\$0
FY 2011	\$99,442	\$0

PL- 602 - FAS Management and Maintenance Staff -

This state special revenue request is for the establishment of 3.15 FTE and \$99,318 for FY 2010 and \$99,442 for FY 2011. This base adjustment will fund basic maintenance and management staff for existing fishing access sites (FAS) around the state. The duties these summer field employees will perform include latrine cleaning, weed control, fencing, vandalism repair, and overall site management.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$175,000	\$0
FY 2011	\$175,000	\$0

PL- 604 - FAS Capital O&M from HB 5 to HB 2 -

This request is for the Capital Fishing Access Site (FAS) operations & maintenance allocation, historically made during the legislative session in HB 5, to now be requested in HB 2. This is not a request for additional authority but rather to properly align the allocation of monies from one appropriation bill to another to improve clarity and simplicity of program management. The state special allocation of \$175,000 annually would still be utilized by the Parks Division in the FAS program for day-to-day operations, maintenance, and weed control for the region FASs. This request is recommended by the Long-Range Planning Working Group of the Legislative Finance Committee.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$44,230	\$0
FY 2011	\$44,230	\$0

PL- 605 - Restore Parks Base Operations -

This budget request restores the Parks base operations budget for the 2011 biennium. State Special funds totaling \$15,230 from FY 2008 were left unspent in the base year due to conservative budget management. The \$29,000 in federal funds corrects a budgeting error from FY 2006 and restores historic authority levels. This requested restoration decision package is calculated off fiscal year end actuals.

**DEPT OF FISH, WILDLIFE & PARKS-5201
PARKS DIVISION-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$27,000	\$0
FY 2011	\$27,000	\$0

PL- 606 - Restore FAS Base Operations -

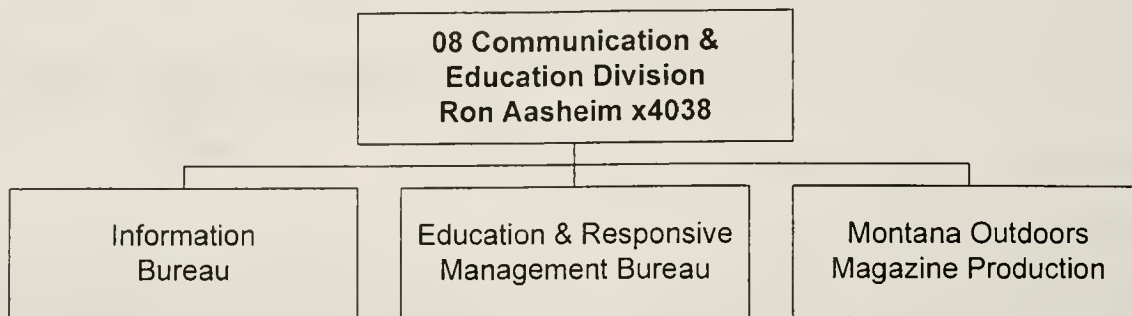
This budget request restores the FAS base operations budget for the 2011 biennium. State special funds totaling \$10,000 from FY 2008 were left unspent in the base year due to conservative budget management. The \$17,000 in federal funds corrects a budgeting error from FY 2006 and restores historic authority levels. This requested restoration decision packages is calculated off fiscal year end actuals.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$216,980)	\$0
FY 2011	(\$216,980)	\$0

PL- 607 - Parks Snowmobile Equipment - BIEN -

This is a request for an adjustment to the snowmobile program to reduce expenses as a means of addressing revenue shortfalls from both snowmobile fuel taxes and decal fees. This request seeks to: 1) Reduce grants to local clubs by \$47,000 annually; 2) reduce the biennial equipment budget from \$370,000 in the 2009 biennium to \$300,000 in the 2011 biennium; and 3) change the appropriation to biennial to streamline purchasing of equipment for snowmobile clubs.

**DEPT OF FISH, WILDLIFE & PARKS-5201
COMMUNICATION AND EDUCATION DIVISION-08**



Program Description - The Communication & Education Division, through its Helena office and seven regional information and education managers, coordinates the department's information and education programs and department planning efforts. Specific responsibilities include: distributing public information through news releases, audio-visual materials, brochures, Montana Outdoors Magazine, and public service announcements; coordinating youth education programs; coordinating the production of hunting, fishing, and trapping regulations; coordinating the hunter, bow-hunter, trapper, snowmobile, boat and off-highway vehicle education, and safety programs; providing reception services including the sale of licenses and disseminating of licensing and regulation information for the department's Helena Headquarters; and facilitating FWP's strategic planning process.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	28.55	0.00	0.00	28.55	0.00	0.00	28.55
Personal Services	1,717,312	115,135	0	1,832,447	120,306	0	1,837,618
Operating Expenses	1,441,196	91,117	0	1,532,313	94,391	0	1,535,587
Grants	314,533	0	0	314,533	0	0	314,533
Total Costs	\$3,473,041	\$206,252	\$0	\$3,679,293	\$214,697	\$0	\$3,687,738
State/Other Special	2,757,055	193,195	0	2,950,250	201,101	0	2,958,156
Federal Special	715,986	13,057	0	729,043	13,596	0	729,582
Total Funds	\$3,473,041	\$206,252	\$0	\$3,679,293	\$214,697	\$0	\$3,687,738

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$50,000	\$0

PL- 801 - Regulation Production -

This budget request is for \$50,000 of state special revenue for each year of the biennium to address past and future increases in printing and distribution costs associated with hunting, fishing, and trapping regulations that are produced annually by FWP.

**DEPT OF FISH, WILDLIFE & PARKS-5201
COMMUNICATION AND EDUCATION DIVISION-08**

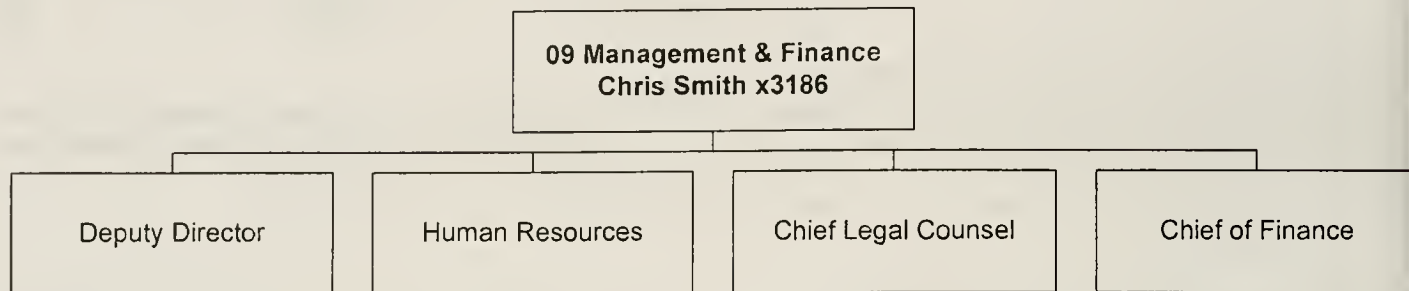
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$30,000	\$0
FY 2011	\$30,000	\$0

PL- 802 - Restore Communication and Education Ops Budget -

This state special revenue budget request will restore \$30,000 per year to the Communications and Education Division for operations. Funds were utilized during the base year to hire a Comprehensive Fish and Wildlife Plan Information and Outreach Program Coordinator and thus these funds were not captured in the base budget.

DEPT OF FISH, WILDLIFE & PARKS-5201 MANAGEMENT AND FINANCE-09

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Administration and Finance Division and the Department Management Division were reorganized into the Management and Finance Division.

The management sections of the division are responsible for: overall department direction regarding policy, planning, program development, guidelines, and budgets; liaison with the Governor's Office and the Legislature; interaction with the Fish, Wildlife and Parks Commission; decision-making for key resource activities affecting the department; supervision of the seven divisions that provide program development and staff support; supervision of the seven regional offices that are responsible for program implementation; liaison with Montana's Indian tribes and with other state and federal agencies; legal services for the department; and Human Resource management.

The Finance sections of the division provide for: department-wide support for accounting; fiscal management; purchasing and property management; Federal aid administration; the sale of hunting, fishing, and other recreational licenses.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	96.24	0.00	0.00	96.24	0.00	0.00	96.24
Personal Services	5,050,370	352,870	0	5,403,240	370,105	0	5,420,475
Operating Expenses	4,295,724	600,393	26,094	4,922,211	482,498	22,625	4,800,847
Equipment & Intangible Assets	38,036	0	0	38,036	0	0	38,036
Transfers	24,374	75,278	0	99,652	75,278	0	99,652
Total Costs	\$9,408,504	\$1,028,541	\$26,094	\$10,463,139	\$927,881	\$22,625	\$10,359,010
State/Other Special	9,301,360	1,016,741	20,092	10,338,193	932,696	17,421	10,251,477
Federal Special	107,144	11,800	6,002	124,946	(4,815)	5,204	107,533
Total Funds	\$9,408,504	\$1,028,541	\$26,094	\$10,463,139	\$927,881	\$22,625	\$10,359,010

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,278	\$0
FY 2011	\$75,278	\$0

PL- 902 - Restore Search & Rescue Base -

This state special revenue budget request will restore \$75,278 per year for the 2011 biennium. This appropriation transfers cash to the Department of Military Affairs for the FWP share of costs incurred by search and rescue clubs when searching for hunters, anglers, or trappers.

**DEPT OF FISH, WILDLIFE & PARKS-5201
MANAGEMENT AND FINANCE-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$16,000	\$0
FY 2011	\$16,000	\$0

PL- 903 - Commission Expense Adjustment -

FWP Commissioners are compensated for their travel at a standard per diem rate and are provided an honorarium of \$50 per day for participation in meetings or conducting other commission business. Per diem and honoraria paid to FWP Commissioners are zero-based in the budget and an adjustment of \$16,000 of state special revenue per year is needed to restore this funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$62,322	\$0
FY 2011	\$63,479	\$0

PL- 904 - Attorney General FTE -

This proposal is to request funding to support an additional .50 FTE in the Prosecution Services Bureau (PSB) of the Department of Justice. State special revenue of \$62,322 in FY 2010 and \$63,479 in FY 2011 is required for an attorney to assist in prosecutions of major fish and wildlife violations. This will assist in implementing 44-4-115 MCA, which provides for a program in PSB for the investigation and prosecution of criminal cases, which fall within Title 87. This proposal is for the funding only; and this funding will subsequently be transferred to the Department of Justice.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$0
FY 2011	\$100,000	\$0

PL- 905 - Energy Development Proposal -

This state special revenue budget request is for \$100,000 per year for the 2011 biennium to develop a comprehensive oil and gas stipulations and recommendation package for fish and wildlife associated with Montana's sagebrush and grasslands. These stipulations would be science based, utilizing existing peer reviewed research throughout the west as well as Montana specific biological data, and a collaborative approach to develop the recommendations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$0
FY 2011	\$25,000	\$0

PL- 906 - Area Office Rent Increases -

FWP has area offices in Dillon, Butte, Choteau, and Havre that provide its constituents with access to FWP staff and local customer service. Negotiations are currently underway for new leases; the increase is estimated to be \$25,000 annually funded by state special revenue. This adjustment will allow FWP to cover this increased cost and continue to provide quality service to hunters, anglers, and recreationists around the state.

**DEPT OF FISH, WILDLIFE & PARKS-5201
MANAGEMENT AND FINANCE-09**

-----New Proposals-----

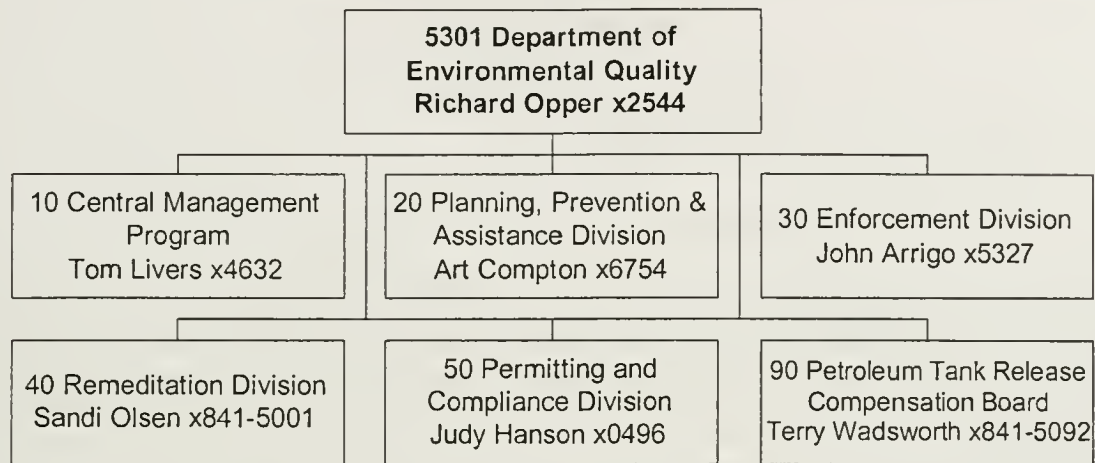
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,094	\$0
FY 2011	\$22,625	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management Program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$26,094 in FY 2010 and \$22,625 in FY 2011 from state and federal special revenue funds for the FWP's allocation of the fixed cost.

DEPT. OF ENVIRONMENTAL QUALITY-5301

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To protect, promote, and improve a clean and healthful environment to benefit present and future generations.

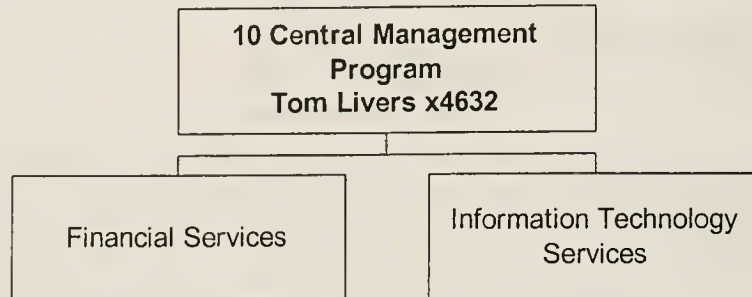
Statutory Authority - Titles 2, 7, 37, 50, 69, 75, 76, 80, 82 and 90, MCA; USC 24, 30, 33 and 42; PL No. 92-500, 95-87, 91, 95-224 and 99-519.

Language - "The department is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving loan programs and to increase state special revenue by a like amount within the special administration account when the amount of federal capitalization funds have been expended or when federal funds and bond proceeds will be used for other program purposes."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	376.29	13.00	1.00	390.29	13.00	1.00	390.29
Personal Services	21,024,452	5,641,126	64,055	26,729,633	5,724,514	65,988	26,814,954
Operating Expenses	19,642,858	12,430,295	5,450,041	37,523,194	11,516,511	5,258,580	36,417,949
Equipment & Intangible Assets	107,827	43,734	0	151,561	42,700	0	150,527
Capital Outlay	441,304	(300,000)	0	141,304	(300,000)	0	141,304
Grants	1,870,416	163,000	0	2,033,416	163,000	0	2,033,416
Total Costs	\$43,086,857	\$17,978,155	\$5,514,096	\$66,579,108	\$17,146,725	\$5,324,568	\$65,558,150
General Fund	4,785,174	1,577,306	75,000	6,437,480	1,593,209	75,000	6,453,383
State/Other Special	18,943,357	12,352,391	5,418,768	36,714,516	11,470,399	5,226,040	35,639,796
Federal Special	19,358,326	4,048,458	20,328	23,427,112	4,083,117	23,528	23,464,971
Total Funds	\$43,086,857	\$17,978,155	\$5,514,096	\$66,579,108	\$17,146,725	\$5,324,568	\$65,558,150

DEPT. OF ENVIRONMENTAL QUALITY-5301 CENTRAL MANAGEMENT PROGRAM-10

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Central Management Program consists of the Director's Office, a Financial Services office, and an Information Technology Office. It is the organizational component of DEQ responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out department mission and statutory responsibilities. The Director's Office includes the director's staff, the deputy director, an administrative officer, a public information officer, a centralized legal services unit, and a centralized personnel office. The Financial Services Office provides budgeting, accounting, payroll, procurement, and contract management support to other divisions. The Information Technology Office provides information technology services support to other divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	733,384	143,888	0	877,272	146,518	0	879,902
Operating Expenses	1,182,701	400,481	0	1,583,182	409,156	0	1,591,857
Total Costs	\$1,916,085	\$544,369	\$0	\$2,460,454	\$555,674	\$0	\$2,471,759
General Fund	373,992	62,476	0	436,468	64,708	0	438,700
State/Other Special	1,202,096	315,736	0	1,517,832	320,913	0	1,523,009
Federal Special	339,997	166,157	0	506,154	170,053	0	510,050
Total Funds	\$1,916,085	\$544,369	\$0	\$2,460,454	\$555,674	\$0	\$2,471,759

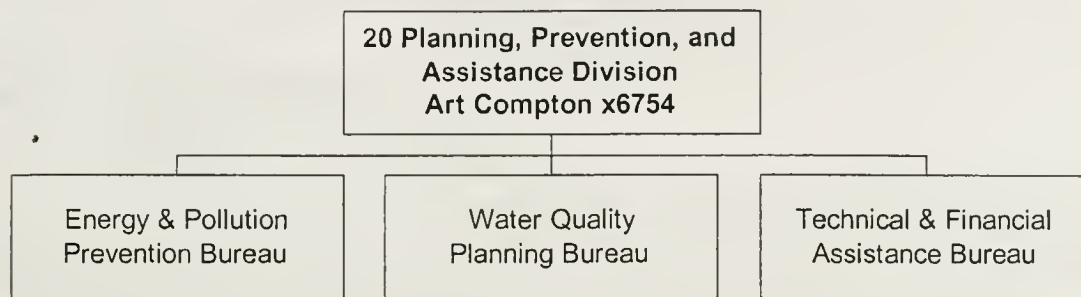
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$399,787	\$17,047
FY 2011	\$408,182	\$18,566

PL- 1001 - Non Proprietary Operations Adjustments -

This operations adjustment request is for \$399,787 in FY 2010 and \$408,182 in FY 2011 in general, state special, and federal special revenue. The operating adjustments requested are required to restore the Environmental Rehabilitation and Response Account (ERRA), fund adjustments to the agency indirect cost rates, and replace personal computers in accordance with standard replacement schedules over the course of the biennium. Additionally, this request includes the restoration of contracts, communications, travel, and training budgets due to vacancies.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
PLAN.PREVENT. & ASSIST.DIV.-20**



Program Description - The Planning, Prevention and Assistance Division 1) finances construction and improvement of community drinking water and wastewater systems, and provides engineering review and technical assistance to community water infrastructure planners; 2) finances energy saving retrofits of public buildings and renewable energy systems for homeowners and small businesses; 3) provides technical assistance and education to builders, homeowners, and businesses on energy efficiency and renewable energy, indoor air quality, radon, recycling, and solid waste reduction; 4) assists small businesses in reducing emissions and complying with environmental regulations; 5) monitors water quality conditions, assesses potential pollution problems, and aids industry to achieve cost effective compliance; 6) assists communities in planning for energy, watershed, air shed, and solid and hazardous waste management; 7) develops water quality restoration plans (Total Maximum Daily Loads or TMDLs); 8) proposes rules and policy and develops environmental protection criteria; and 9) provides analysis to assess the cost effectiveness of environmental programs. The division consists of three bureaus: Technical and Financial Assistance, Water Quality Planning, and Energy and Pollution Prevention, along with a Financial Management and Budgeting Unit.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	83.50	0.00	1.00	84.50	0.00	1.00	84.50
Personal Services	4,852,495	985,798	64,055	5,902,348	1,008,457	65,988	5,926,940
Operating Expenses	5,193,729	1,463,845	843,684	7,501,258	1,485,021	648,011	7,326,761
Equipment & Intangible Assets	9,970	41,034	0	51,004	40,000	0	49,970
Total Costs	\$10,056,194	\$2,490,677	\$907,739	\$13,454,610	\$2,533,478	\$713,999	\$13,303,671
General Fund	2,873,851	145,319	0	3,019,170	150,756	0	3,024,607
State/Other Special	1,131,114	264,195	907,739	2,303,048	281,981	713,999	2,127,094
Federal Special	6,051,229	2,081,163	0	8,132,392	2,100,741	0	8,151,970
Total Funds	\$10,056,194	\$2,490,677	\$907,739	\$13,454,610	\$2,533,478	\$713,999	\$13,303,671

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,492,896	(\$37,119)
FY 2011	\$1,511,683	(\$35,801)

PL- 2005 - Planning Division Operations Adjustments -

This operations adjustment is for \$1,492,896 in FY 2010 and \$1,511,683 in FY 2011 in general, state special, and federal special revenue. The operating adjustment is requested because some expenditures were not captured within the base year. Reasons for this are because increased efforts on energy efficiency in state government resulted in fewer expenditures in other initiatives, timing of receipt of federal grants has caused the related expenditures to be after the base year, and related vacancy savings costs, such as unspent travel, lab analysis work, supplies, and indirect costs were not captured.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
PLAN.PREVENT. & ASSIST.DIV.-20**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$98,897	\$0
FY 2011	\$101,250	\$0

NP- 2004 - Technical Assistance for Waste Water Treatment Sys -

This request is for 1.00 FTE and \$98,897 in FY 2010 and \$101,250 in FY 2011 of state special revenue. The FTE would provide on-site technical assistance and classroom training to help individuals, communities, subdivisions, and other small systems come into compliance with permits and help to reduce the load of pollutants to state waters. This can help reduce the cost to the state by addressing problems through means other than enforcement.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$808,842	\$0
FY 2011	\$612,749	\$0

NP- 2051 - State Buildings Energy Conservation Program - BIEN -

The department requests \$808,842 for FY 2010 and \$612,749 for FY 2011 in state special revenue to operate the State Buildings Energy Conservation Program. Contracts will be issued to engineering firms to analyze energy efficiency in state facilities. Projects will be implemented to reduce energy and water use based on engineering analyses conducted in FY 2009 as well as FY 2010 and FY 2011. Information on state government facility energy use will be tracked to show results of improvements. This decision package is contingent on passage of legislation proposed by the executive that establishes a revolving loan account and appropriates funds to that account as a long-term funding mechanism for the state buildings energy conservation program. Appropriation to operate the state building energy conservation program will be made by each legislature from funds in the revolving fund once it has been established.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
ENFORCEMENT DIVISION-30**

30 Enforcement Division
John Arrigo x5327

Case Management
Bureau

Program Description - The Enforcement Division is responsible for formal enforcement of the public health and environmental protection laws and rules administered by the department. Division staff works with department attorneys and regulatory programs to draft administrative orders, calculate penalties, negotiate settlements, and monitor compliance with orders issued by the department. The division also manages a complaint clearinghouse that responds to and tracks citizen complaints and reports of spills or releases of materials.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	15.00	0.00	0.00	15.00	0.00	0.00	15.00
Personal Services	873,315	159,332	0	1,032,647	161,976	0	1,035,291
Operating Expenses	309,306	99,444	0	408,750	109,182	0	418,488
Total Costs	\$1,182,621	\$258,776	\$0	\$1,441,397	\$271,158	\$0	\$1,453,779
General Fund	520,386	99,125	0	619,511	104,450	0	624,836
State/Other Special	348,850	149,731	0	498,581	154,011	0	502,861
Federal Special	313,385	9,920	0	323,305	12,697	0	326,082
Total Funds	\$1,182,621	\$258,776	\$0	\$1,441,397	\$271,158	\$0	\$1,453,779

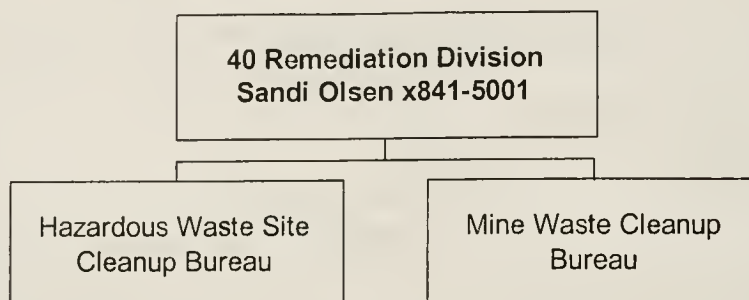
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$96,385	\$41,425
FY 2011	\$105,795	\$45,469

PL- 3002 - Enforcement Operations Adjustments -

This operations adjustment request is for \$96,385 in FY 2010 and \$105,795 in FY 2011 in general fund, state, and federal special revenue. Adjustments are requested to restore FY 2008 authorized amounts for contracted services (lab analysis, paper service, temp services, publications & graphics), central stores, field equipment, postage & mailing, in-state travel, education & training, and indirect charges.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
REMEDIATION DIVISION-40**



Program Description - The Remediation Division protects human health and the environment by restoring contaminated sites to a level that prevents exposure to hazardous substances that have been released to soil, sediment, surface water or groundwater. The division also ensures compliance with state and federal regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites with leaking petroleum storage tanks; and oversees groundwater remediation at sites where improper placement of wastes has caused groundwater contamination. This division is divided into two bureaus. The Hazardous Waste Site Cleanup Bureau oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances, and petroleum released by industrial and commercial operations. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations and provides grants to local governments for compliance assistance. The Mine Waste Cleanup Bureau is responsible for administering and overseeing remedial actions at historical mine sites, abandoned mines, and ore-transport and processing facilities. It also oversees the state provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund program).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	62.76	0.00	0.00	62.76	0.00	0.00	62.76
Personal Services	3,339,092	825,727	0	4,164,819	838,709	0	4,177,801
Operating Expenses	5,579,929	6,309,736	4,514,814	16,404,479	5,338,062	4,517,507	15,435,498
Equipment & Intangible Assets	0	0	0	0	0	0	0
Capital Outlay	441,304	(300,000)	0	141,304	(300,000)	0	141,304
Total Costs	\$9,360,325	\$6,835,463	\$4,514,814	\$20,710,602	\$5,876,771	\$4,517,507	\$19,754,603
State/Other Special	2,473,360	6,171,899	4,500,000	13,145,259	5,182,032	4,500,000	12,155,392
Federal Special	6,886,965	663,564	14,814	7,565,343	694,739	17,507	7,599,211
Total Funds	\$9,360,325	\$6,835,463	\$4,514,814	\$20,710,602	\$5,876,771	\$4,517,507	\$19,754,603

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$446,803	\$0
FY 2011	\$483,714	\$0

PL- 4002 - Remediation Operations Adjustments -

This operations adjustment request is for \$446,803 in FY 2010 and \$483,714 in FY 2011 in state and federal special revenue. Adjustments are requested due to changes in travel and training expenditures due to vacancies, communications expenditures, use of student interns, personal services and operating indirect costs, and contracted services funding decreases.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
REMEDATION DIVISION-40**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$750,000	\$0
FY 2011	\$0	\$0

PL- 4005 - Basin Creek Mine Closure Plan BIEN - OTO -

The executive recommends \$750,000 in one-time-only state special revenue biennial spending authority to complete the closure plan at Basin Creek Mine. DEQ acquired this property in the Pegasus bankruptcy and is using a combination of existing reclamation bond monies forfeited by Pegasus and General Obligation (GO) bond monies to complete closure. These activities will then qualify as match activities for EPA cleanup work under Federal Superfund Law at the Basin/Upper Tenmile National Priorities List (NPL) site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$260,000	\$0
FY 2011	\$0	\$0

PL- 4006 - Beal Mountain Mine Closure BIEN - OTO -

The executive recommends \$260,000 in one-time-only state special revenue biennial spending authority to implement the Beal Mountain Mine closure plan. These activities will be completed using reclamation bond monies remaining in the site account as well as the monies generated from the auction of equipment at the site during FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,200,000	\$0
FY 2011	\$1,200,000	\$0

PL- 4009 - KRY Remediation Oversight - BIEN - RST - OTO -

In order to implement remedial actions goals at Kalispell Pole & Timber, Reliance Refinery, and Yale Oil state superfund sites, this one-time-only budget request is for an additional \$1.2 million per year in state special revenue spending authority. Funds will be used for contracted services to prepare and review engineering plans and overseeing construction for the multitude of activities associated with cleaning up the site. Under the Comprehensive Environmental Cleanup Responsibility Act (CECRA), the expenditures at these sites are cost recoverable.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$364,000	\$0
FY 2011	\$364,000	\$0

PL- 4011 - Accelerated Remediation CECRA Sites BIEN/RST/OTO -

This state special revenue request is for \$728,000 in one-time-only biennial authority in order to implement remedial action goals at the Upper Blackfoot Mining Complex CECRA (Comprehensive Environmental Cleanup Responsibility Act) site. Funding would be used for contracted services to complete baseline human health and ecological risk assessments and a feasibility study to identify the appropriate methods to clean up contaminants at the site. Under CECRA, the expenditures at these sites will be cost recovered when the payout for unsecured claims under the Asarco Bankruptcy occurs.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
REMEDATION DIVISION-40**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,000,000	\$0
FY 2011	\$3,000,000	\$0

PL- 4012 - CECRA Accelerated Remediation Base Adjustment -

This budget request is for \$3 million per year in state special revenue spending authority for operating expenses in order to continue successful implementation of remedial action goals at state superfund CECRA (Comprehensive Environmental Cleanup Responsibility Act) sites. This request reflects the budget amendments that were necessary during FY 2008 that are not captured in the program base. Funding would be spent conducting the remedial actions to address contaminants affecting human health and the environment using contracted services. Under CECRA, the expenditures at these sites are cost recoverable.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,814	\$0
FY 2011	\$17,507	\$0

NP- 4016 - Remediation New Leased Vehicles -

This budget request is for \$14,814 in FY 2010 and \$17,507 in FY 2011 in federal special revenue for additional motor pool leases of one hybrid sedan and one hybrid small utility vehicle. These vehicles will be utilized by the Abandoned Mine Lands (AML) program in the Remediation Division. This program is expanding due to increased federal awards from the U.S. Office of Surface Mining (OSM). Hybrid vehicles are requested to conform with the Governor's 20x10 initiative.

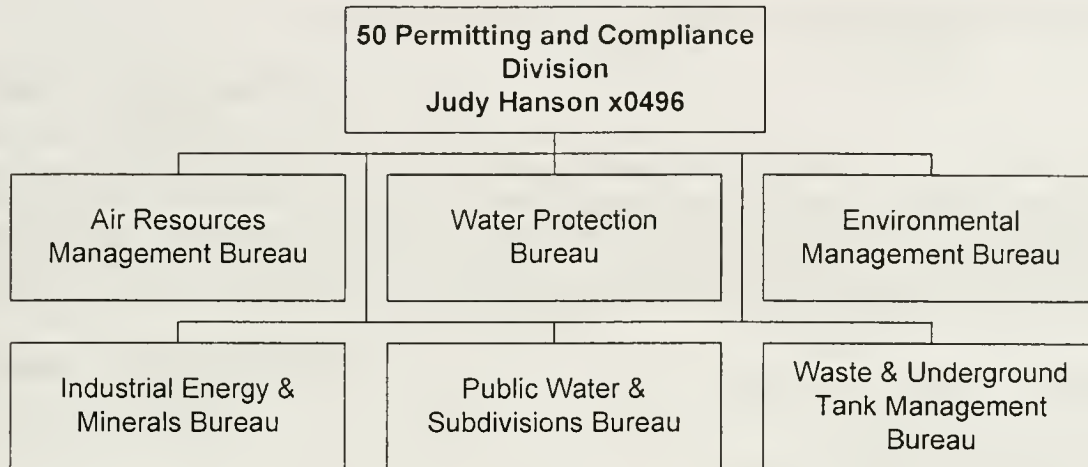
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,500,000	\$0
FY 2011	\$4,500,000	\$0

NP- 4015 - Joint DEQ-DNRC Reliance Refinery - BIEN-OTO-RST -

The executive recommends \$9 million of one-time-only, biennial state special revenue authority transfer from the Orphan Share Fund to the Environmental Quality Protection Fund for the purposes of cleanup of the state's Reliance Refinery property, which has been contaminated by refinery wastes and wood treating contaminants. This request is contingent on passage and approval of LC 294.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
PERMITTING & COMPLIANCE DIV.-50**



Program Description - The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 17 state regulatory and 5 related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety, and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws, and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply, subdivision, and operator certification); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumps, hazardous waste, asbestos, underground storage tanks, and meth standards).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	199.03	13.00	0.00	212.03	13.00	0.00	212.03
Personal Services	10,897,631	3,496,731	0	14,394,362	3,538,369	0	14,436,000
Operating Expenses	7,163,107	3,988,458	66,543	11,218,108	4,003,343	68,062	11,234,512
Equipment & Intangible Assets	97,857	2,700	0	100,557	2,700	0	100,557
Grants	1,870,416	163,000	0	2,033,416	163,000	0	2,033,416
Total Costs	\$20,029,011	\$7,650,889	\$66,543	\$27,746,443	\$7,707,412	\$68,062	\$27,804,485
General Fund	1,016,945	1,270,386	50,000	2,337,331	1,273,295	50,000	2,340,240
State/Other Special	13,245,316	5,252,849	11,029	18,509,194	5,329,230	12,041	18,586,587
Federal Special	5,766,750	1,127,654	5,514	6,899,918	1,104,887	6,021	6,877,658
Total Funds	\$20,029,011	\$7,650,889	\$66,543	\$27,746,443	\$7,707,412	\$68,062	\$27,804,485

**DEPT. OF ENVIRONMENTAL QUALITY-5301
PERMITTING & COMPLIANCE DIV.-50**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,000	\$0
FY 2011	\$75,000	\$0

PL- 5002 - Air Online Permit & Compliance Reporting BIEN/OTO -

This biennial one-time-only request for \$150,000 of state special revenue is to contract for services to enhance the CEDARS (Consolidated Environmental Database and Retrieval System) database. This enhancement will allow regulated facilities to submit required reports and information online.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$250,000	\$0
FY 2011	\$250,000	\$0

PL- 5003 - Air Regulatory Assistance BIEN -

This \$500,000 biennial appropriation using state special revenue is to contract for consulting services for regulatory assistance in the Air Quality Program. Contract consultant assistance is necessary because rapidly increasing development activity in the energy sector coupled with limited staff resources could adversely affect air quality and potentially undermine economic development in the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$130,820	\$0
FY 2011	\$129,895	\$0

PL- 5004 - Area Source MACT Registration -

This state special revenue request is for 1.00 FTE and \$130,820 in FY 2010 and \$129,895 in FY 2011 to start up and administer a registration system and to provide regulatory assistance to area sources. As part of the federal program delegation for the Title V Air Quality Operating Permit Program, Montana has the responsibility to enforce Maximum Achievable Control Technology (MACT) regulations that are applicable to sources in Montana. While many sources that are subject to MACT regulations are also subject to permit requirements, some sources are not and they are generally described as "area sources."

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$94,946	\$0
FY 2011	\$94,946	\$0

PL- 5006 - ARMB Student Intern Funding -

This request is for \$94,946 per year in state special revenue in order to hire student interns in the Air Resources Management Bureau (ARMB). These funds are for up to four student interns who will provide assistance with air quality permitting and compliance activities. Student interns increase the long-term program efficiency and address ARMB's recruitment challenges through supporting Montana's college students and training potential future DEQ employees. Assigning appropriate technical work to the interns that would otherwise need to be completed by the full time employees of the ARMB will increase program efficiency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,583,073	\$110,169
FY 2011	\$1,594,512	\$110,083

PL- 5018 - Permitting & Compliance Operations Adjustments -

The executive requests a base operating adjustment of \$1,583,073 in FY 2010 and \$1,594,512 in FY 2011 of general, state special, and federal special revenue. Base expenditures were low in junk vehicle grants to counties, reimbursements for abandoned vehicles, contracts not put into place due to vacancies, and underground storage tank funding.

**DEPT. OF ENVIRONMENTAL QUALITY-5301
PERMITTING & COMPLIANCE DIV.-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,750,000	\$0
FY 2011	\$1,750,000	\$0

PL- 5019 - Hard Rock-Major Facility Siting Act Projects-BIEN-RST -

This restricted biennial request is for \$3.5 million in state and federal special revenue for Hard Rock and Major Facility Siting Act (MFSA) projects. Project spending authority will be used for reclamation of mine sites and will be funded by various bond forfeitures or settlement agreements. The authority for hard rock debt service is requested to allow the department to spend funds on reclamation of mine sites raised through the sale of general obligation bonds authorized by 82-4-314, MCA. The authority for MFSA projects is based on past projects and the potential for future projects.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,000,000	\$1,000,000
FY 2011	\$1,000,000	\$1,000,000

PL- 5021 - Public Water Supply Staff -

The executive recommends making permanent 12.00 FTE at a cost of \$1,000,000 in FY 2010 and \$1,000,000 in FY 2011 using general funds. A 2007 EPA Primacy Report on the status of Montana's Public Water Supply Program found that the program had insufficient resources to adequately implement the required elements of the continued EPA roll-out of federal regulations and protect public health. These positions are now modified positions and were added during FY 2009 to respond to a significant public health risk in the DEQ Public Water Supply program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$16,543	\$0
FY 2011	\$18,062	\$0

NP- 5008 - Air Program - Field Office Vehicles -

This request is for \$16,543 in FY 2010 and \$18,062 in FY 2011 of state and federal special revenue for two vehicles for air program field offices. Additional staff has been hired in the Billings and Butte field offices and with no motor pool vehicles available, these field vehicles are critical for accomplishment of daily functions of the staff. Hybrid sedans are requested in keeping with the Governor's 20x10 initiative.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$50,000
FY 2011	\$50,000	\$50,000

NP- 5010 - Swift Gulch Treatment System Operating Expenses -

This general fund request is for \$50,000 per year in the 2011 biennium for operating expenses at the Zortman-Landusky mine site. The 2007 Legislature approved DP-5029 Swift Gulch Drainage System for a semi-passive treatment system; however, long term operating costs were not included.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$25,000	\$25,000

NP- 5011 - Whitefish Lake Monitoring - BIEN/OTO -

This request includes \$50,000 general fund for the 2011 biennium, requested as a biennial one-time-only appropriation, to support a peer reviewed long-term sampling program for Whitefish Lake, an urban interface lake listed as impaired and that also serves as the city's drinking water source. The sampling program will analyze tributary and atmospheric loading on the lake and its internal dynamics.

DEPT. OF ENVIRONMENTAL QUALITY-5301 PETRO TANK RELEASE COMP. BOARD-90

90 Petroleum Tank Release
Compensation Board
Terry Wadsworth x841-5092

Program Description - The Petroleum Tank Release Compensation Board is responsible for administering the petroleum tank release cleanup fund. This includes reimbursement to petroleum storage tank owners and operators for corrective action costs and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor's Office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks. It has a staff of 6.00 FTE. It is attached to the DEQ for administrative purposes.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	328,535	29,650	0	358,185	30,485	0	359,020
Operating Expenses	214,086	168,331	0	382,417	171,747	0	385,833
Total Costs	\$542,621	\$197,981	\$0	\$740,602	\$202,232	\$0	\$744,853
State/Other Special	542,621	197,981	0	740,602	202,232	0	744,853
Total Funds	\$542,621	\$197,981	\$0	\$740,602	\$202,232	\$0	\$744,853

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$178,280	\$0
FY 2011	\$181,677	\$0

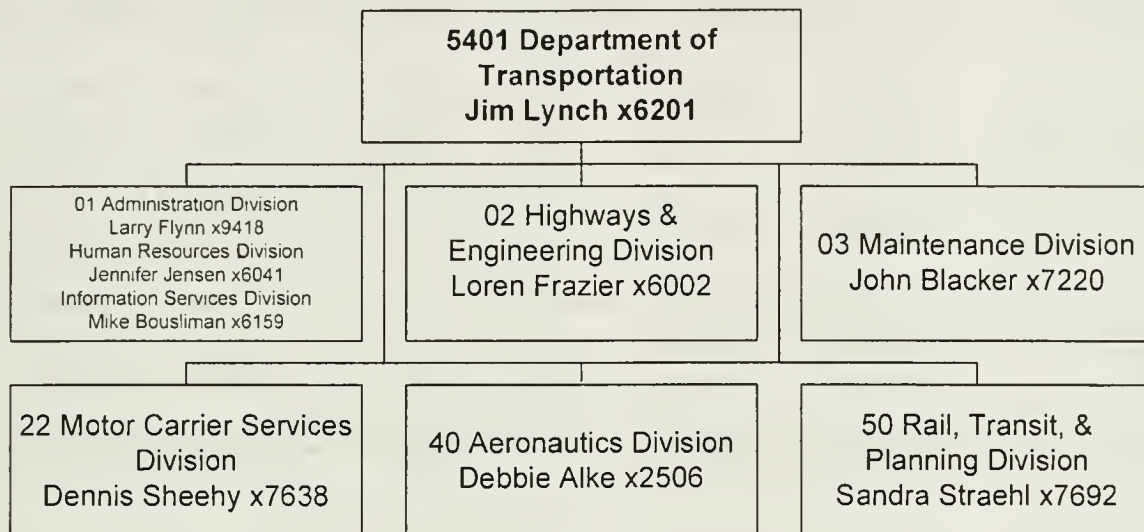
PL- 9001 - Petroleum Board Subrogation Operation Adjustments -

This request is to restore base expenditures for the Petroleum Tank Release Compensation Board. The cost is \$178,280 for FY 2010 and \$181,677 for FY 2011 in state special revenue. The board's subrogation effort was reduced during the base year to await a Supreme Court summary judgment. With the recent summary judgment, ramp-up of subrogation cost recovery activity is required for many pending cases.

Language Recommendations - "The department is appropriated up to \$500,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2011 biennium for the purpose of paying contract expenses related to the recovery of funds."

DEPARTMENT OF TRANSPORTATION-5401

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality, and sensitivity to the environment.

Statutory Authority - Title 2, Chapter 15, part 25; and Titles 23 and 60, MCA; USC 134 and 135; Title 23, Chapter 1, CFR.

Language - "The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue funds if the total state special revenue authority for these programs is not increased by more than 10% of the total appropriations established by the legislature for each program."

"All federal special revenue appropriations in the department are biennial."

"All appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial."

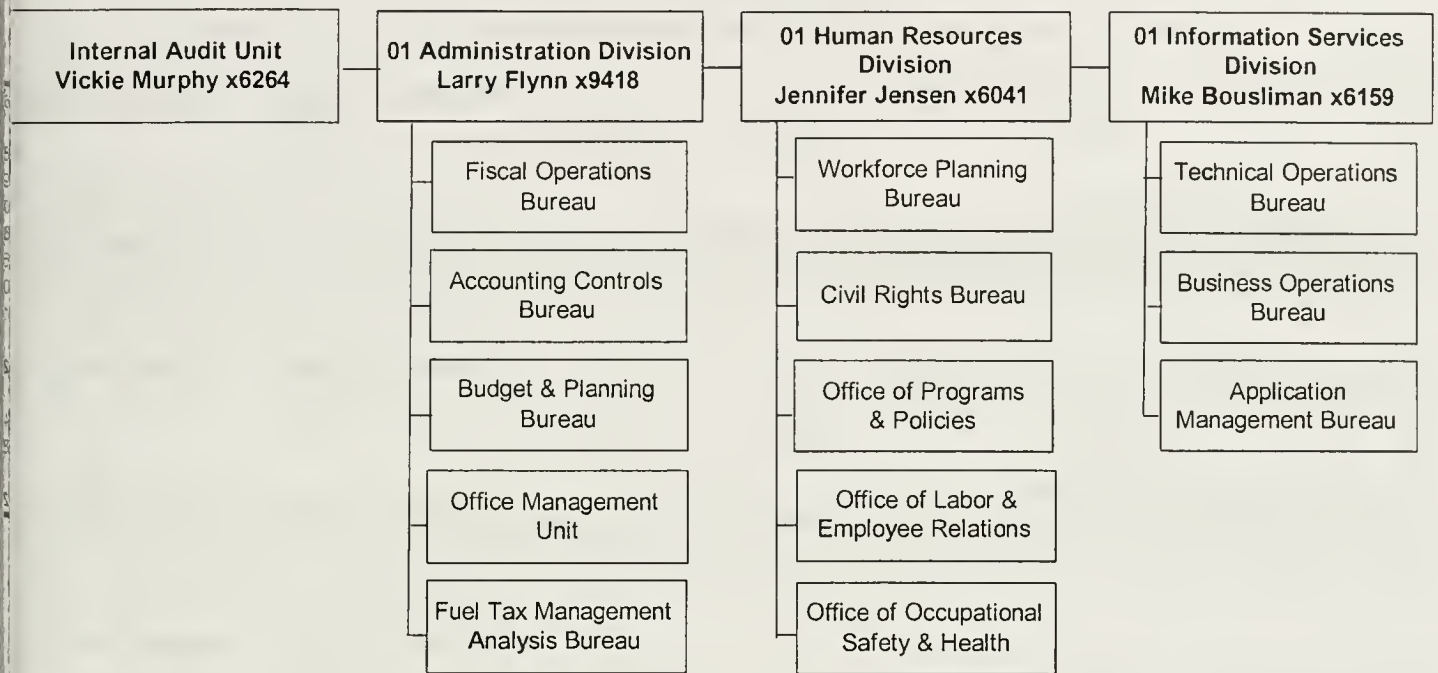
"All remaining federal pass-through grant appropriations for highway traffic safety, including reversions for the 2009 biennium, are authorized to continue and are appropriated in fiscal year 2010 and fiscal year 2011."

DEPARTMENT OF TRANSPORTATION-5401

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2,134.96	1.00	10.00	2,145.96	1.00	10.00	2,145.96
Personal Services	129,928,240	9,986,902	1,064,966	140,980,108	10,520,586	1,085,812	141,534,638
Operating Expenses	349,392,502	24,668,566	2,020,252	376,081,320	32,720,361	1,709,346	383,822,209
Equipment & Intangible Assets	1,902,440	978,535	152,000	3,032,975	32,000	152,000	2,086,440
Capital Outlay	15,979,768	0	0	15,979,768	0	0	15,979,768
Local Assistance	447,116	0	0	447,116	0	0	447,116
Grants	14,494,485	2,024,511	558,144	17,077,140	174,511	558,144	15,227,140
Transfers	13,701	0	0	13,701	0	0	13,701
Total Costs	\$512,158,252	\$37,658,514	\$3,795,362	\$553,612,128	\$43,447,458	\$3,505,302	\$559,111,012
State/Other Special	210,536,687	21,306,724	1,217,686	233,061,097	19,682,360	1,223,707	231,442,754
Federal Special	301,621,565	16,351,790	2,577,676	320,551,031	23,765,098	2,281,595	327,668,258
Total Funds	\$512,158,252	\$37,658,514	\$3,795,362	\$553,612,128	\$43,447,458	\$3,505,302	\$559,111,012

DEPARTMENT OF TRANSPORTATION-5401

GENERAL OPERATIONS PROGRAM-01



Program Description - The General Operations Program provides overall policy direction and management to the agency as well as administers motor fuel taxes and provides administrative support services for the department, including general administration and management; accounting and budgeting; public affairs; information technology services; human resources activities; compliance review; and goods and services procurement. The General Operations Program is authorized by 2-15-2501(3), MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	187.37	1.00	0.00	188.37	1.00	0.00	188.37
Personal Services	11,519,695	1,506,961	0	13,026,656	1,554,418	0	13,074,113
Operating Expenses	10,902,842	1,720,790	68,507	12,692,139	1,561,448	59,399	12,523,689
Equipment & Intangible Assets	31,859	0	0	31,859	0	0	31,859
Grants	297,177	0	0	297,177	0	0	297,177
Total Costs	\$22,751,573	\$3,227,751	\$68,507	\$26,047,831	\$3,115,866	\$59,399	\$25,926,838
State/Other Special	21,045,984	3,367,772	68,507	24,482,263	3,255,257	59,399	24,360,640
Federal Special	1,705,589	(140,021)	0	1,565,568	(139,391)	0	1,566,198
Total Funds	\$22,751,573	\$3,227,751	\$68,507	\$26,047,831	\$3,115,866	\$59,399	\$25,926,838

DEPARTMENT OF TRANSPORTATION-5401

GENERAL OPERATIONS PROGRAM-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,065	\$0
FY 2011	\$2,311	\$0

PL- 1001 - Equipment Rental -

This request is for \$3,065 in FY 2010 and \$2,311 in FY 2011 of state special revenue. This adjustment ensures adequate revenue in the equipment program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,083	\$0
FY 2011	\$50,083	\$0

PL- 1002 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits for \$50,083 per year of state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$1,754)	\$0
FY 2011	(\$1,754)	\$0

PL- 1101 - Office Equipment Cost Reduction -

This request is for a reduction of \$1,754 per year of state special revenue. The Business Process Solutions Unit has a reduction due to the one-time purchase of equipment in the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$8,600)	\$0
FY 2011	(\$8,600)	\$0

PL- 1301 - Training Reduction -

This request reduces training expenditures by \$8,600 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$45,000	\$0
FY 2011	\$45,000	\$0

PL- 1302 - District Health & Safety Specialists -

Occupational Health & Safety Specialists were assigned to each district office in May of the base year, thus travel costs associated with these positions are not recorded for the full year. This request is to annualize the travel costs using \$90,000 of highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$52,590	\$0
FY 2011	\$84,383	\$0

PL- 1401 - Merchant Credit Card Fees -

The executive recommends an increase of \$52,590 in FY 2010 and \$84,383 in FY 2011 of highway state special revenue. This increase accounts for increased use of credit cards by customers to pay for permits, licenses, and other MDT services, coupled with increased fees for accepting credit cards.

DEPARTMENT OF TRANSPORTATION-5401

GENERAL OPERATIONS PROGRAM-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$39,487	\$0
FY 2011	\$39,905	\$0

PL- 1402 - Tribal Refund FTE -

This request is for 1.00 FTE for a statutory administrative assistant position at a cost of \$79,392 in highway state special revenue for the biennium. The FTE position will resolve a Legislative Financial Compliance Audit recommendation that MDT charge costs of administering the motor fuels tax under tribal agreements to the tribal motor fuel administration account in accordance with state law.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,250	\$0
FY 2011	\$10,250	\$0

PL- 1404 - Fuel Tax Evasion Travel -

This request is for \$10,250 per year of state special revenue for staff to attend the Motor Fuel Basic and Advanced training. This training was offered in-state in the base year; however, the training will be held out of state and this amount will fund the increased cost to go out of state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$202,357	\$0
FY 2011	\$225,108	\$0

PL- 1503 - Computer Services Contract -

The executive recommends an increase of \$202,357 in FY 2010 and \$225,108 in FY 2011 of state special revenue. This request is for a scheduled increase in the maintenance contract and for partial restoration of the base for continued enhancements to the various contract permitting, registration, and licensing systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,952	\$0
FY 2011	\$40,952	\$0

PL- 1506 - IT Maintenance Costs -

This budget request is for \$40,952 per year in state special revenue for the maintenance and repair of printers and the maintenance of computer software and hardware.

-----New Proposals-----

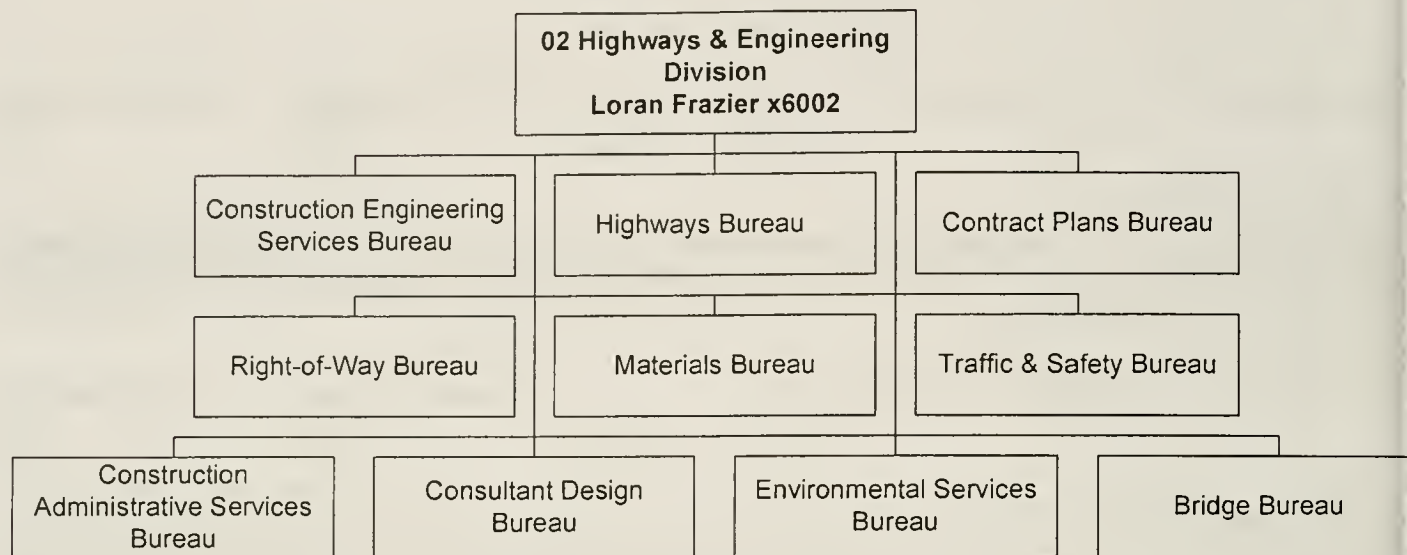
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$68,507	\$0
FY 2011	\$59,399	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This request is for \$68,507 in FY 2010 and \$59,399 in FY 2011 from state special revenue funds.

DEPARTMENT OF TRANSPORTATION-5401

CONSTRUCTION PROGRAM-02



Program Description - The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction. Program responsibilities include such tasks as design, assessing environmental issues, writing documents, obtaining permits, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is the documentation, inspection, and testing of highway construction materials from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare. The Construction Program is mandated by 2-15-2501(1), MCA; Title 60, MCA; and 23 USC 116.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	974.32	0.00	0.00	974.32	0.00	0.00	974.32
Personal Services	63,449,027	3,110,617	0	66,559,644	3,331,050	0	66,780,077
Operating Expenses	274,800,392	6,462,814	0	281,263,206	15,450,186	0	290,250,578
Equipment & Intangible Assets	1,015,008	0	0	1,015,008	0	0	1,015,008
Capital Outlay	15,822,618	0	0	15,822,618	0	0	15,822,618
Grants	1,187,648	0	0	1,187,648	0	0	1,187,648
Total Costs	\$356,274,693	\$9,573,431	\$0	\$365,848,124	\$18,781,236	\$0	\$375,055,929
State/Other Special	81,389,398	(4,231,235)	0	77,158,163	(3,429,886)	0	77,959,512
Federal Special	274,885,295	13,804,666	0	288,689,961	22,211,122	0	297,096,417
Total Funds	\$356,274,693	\$9,573,431	\$0	\$365,848,124	\$18,781,236	\$0	\$375,055,929

DEPARTMENT OF TRANSPORTATION-5401 CONSTRUCTION PROGRAM-02

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,438,628	\$0
FY 2011	\$19,538,628	\$0

PL- 210 - Contractor Payments/Federal Aid -

This request is for \$10,438,628 in FY 2010 and \$19,538,628 in FY 2011 of state and federal special revenue to achieve preliminary contractor payment levels of \$242,400,000 in FY 2010 and \$251,500,000 in FY 2011 based on the Tentative Construction Plan.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$3,826,896)	\$0
FY 2011	(\$3,826,896)	\$0

PL- 211 - Contractor Payments/State Funded Construction -

This request is for a reduction of \$3,826,896 per year in state special revenue to adjust for the transfer of the State Funded Construction Program to the Maintenance Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$430,762	\$0
FY 2011	\$309,534	\$0

PL- 214 - Equipment Rental -

The rate schedule required in the budgeting process as a means of providing adequate revenue for the Equipment Program computes an adjustment for the users of the equipment. The adjustment for the Construction Program is for \$430,762 in FY 2010 and \$309,534 in FY 2011 in state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,832,525	\$0
FY 2011	\$2,832,525	\$0

PL- 215 - OT/Differential -

This request is to re-establish zero-based overtime and differential pay with associated benefits. It requires \$2,832,525 in both years of the biennium in state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$119,924)	\$0
FY 2011	(\$119,924)	\$0

PL- 216 - Training Reduction -

This request reduces training expenditures by \$119,924 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$0
FY 2011	\$10,000	\$0

PL- 222 - Westlaw Internet License -

This request is for \$10,000 per year in state special revenue to purchase the licenses needed to access the Westlaw Internet Site. This site can be used to assist the legal unit with necessary legal research.

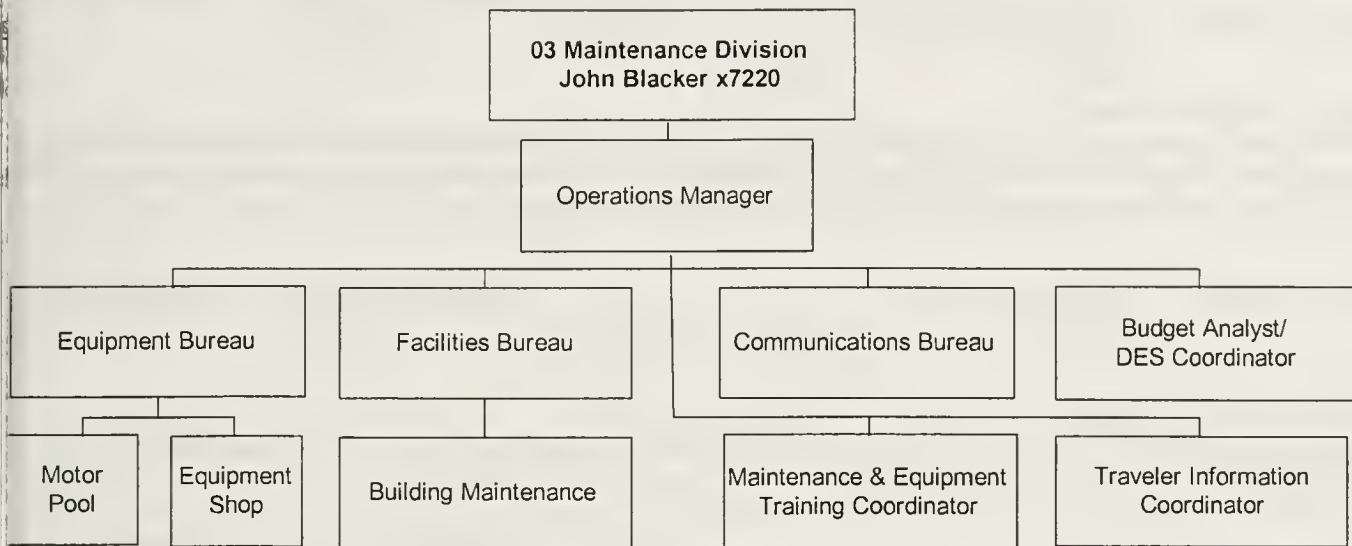
**DEPARTMENT OF TRANSPORTATION-5401
CONSTRUCTION PROGRAM-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$536,000)	\$0
FY 2011	(\$536,000)	\$0

PL- 223 - Program Reductions -

This request is to reduce state special revenue budget authority by \$1,072,000 in the next biennium. This reduction is associated with the completion of Site Manager and the fact that no major city-wide traffic signal upgrades are planned.

DEPARTMENT OF TRANSPORTATION-5401 MAINTENANCE PROGRAM-03



Program Description - The Maintenance program is responsible for the repair, maintenance and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, quality control, and any other necessary roadway and roadside repairs and maintenance. The Maintenance program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	766.67	0.00	0.00	766.67	0.00	0.00	766.67
Personal Services	43,652,415	4,240,237	0	47,892,652	4,459,428	0	48,111,843
Operating Expenses	57,945,127	15,477,080	0	73,422,207	15,002,925	0	72,948,052
Equipment & Intangible Assets	795,278	978,535	0	1,773,813	32,000	0	827,278
Capital Outlay	157,150	0	0	157,150	0	0	157,150
Total Costs	\$102,549,970	\$20,695,852	\$0	\$123,245,822	\$19,494,353	\$0	\$122,044,323
State/Other Special	96,436,870	18,874,413	0	115,311,283	18,432,158	0	114,869,028
Federal Special	6,113,100	1,821,439	0	7,934,539	1,062,195	0	7,175,295
Total Funds	\$102,549,970	\$20,695,852	\$0	\$123,245,822	\$19,494,353	\$0	\$122,044,323

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,589,439	\$0
FY 2011	\$2,589,439	\$0

PL- 301 - OT/Differential -

This request is to re-establish zero-based overtime and differential pay with associated benefits in the amount of \$2,589,439 per year in state special revenue.

DEPARTMENT OF TRANSPORTATION-5401 MAINTENANCE PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,095,978	\$0
FY 2011	\$1,580,227	\$0

PL- 302 - Equipment Rental -

The rate schedule required in the budgeting process as a means of providing adequate revenue for the Equipment Program computes an adjustment to the users of the equipment. The adjustment for the Maintenance Program is for \$2,095,978 in FY 2010 and \$1,580,227 in FY 2011 of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$30,628)	\$0
FY 2011	(\$30,628)	\$0

PL- 303 - Training Reduction -

This request reduces training expenditures by \$30,628 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$946,535	\$0
FY 2011	\$0	\$0

PL- 306 - Variable Message Signs -

This request is for five Variable Message Signs (VMS) and four support structures to address traveler notification needs at Lookout Pass and Rocker. The estimated cost is \$757,228 in federal special revenue and \$189,307 in state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$167,221	\$0
FY 2011	\$167,889	\$0

PL- 307 - US 93 Ravalli-Ronan Changes -

This request is for the costs of additional deicer and utility and maintenance costs for an additional 371 luminaries and 7 traffic signals that will be needed to properly maintain the Ravalli-Ronan area. The estimated cost is \$335,110 of state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$153,075	\$0
FY 2011	\$168,061	\$0

PL- 308 - Rest Areas - Maintenance & Supplies -

This request is for additional authority to address increased costs related to the maintenance of the Dena Mora, Emigrant, Raynolds Pass, Anaconda, and Gold Creek rest areas. The estimated cost is \$153,075 in FY 2010 and \$168,061 in FY 2011 in state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$113,018	\$0
FY 2011	\$113,558	\$0

PL- 310 - City Contract Increases -

This budget request is for \$226,576 in state special revenue for the biennium for city maintenance contracts. MDT contracts with several cities for routine maintenance on MDT roadways and is deemed beneficial for both the cities and MDT.

DEPARTMENT OF TRANSPORTATION-5401

MAINTENANCE PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$97,663	\$0
FY 2011	\$97,663	\$0

L- 311 - Mobile & Portable Handheld Radios -

This request is for 25 mobile radios and 25 handheld radios for use with the Inter-operable Montana Radio System at a cost of \$97,663 per year in state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$600,000	\$0
FY 2011	\$600,000	\$0

L- 312 - Winter Maintenance - Increased Cost of Chemical -

Due to the increased cost of chemical deicer, this request is for additional authority of \$600,000 per year of state and federal special revenue. Chemical deicer is applied to Montana's roadways during the winter months for the traveling public's safety.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,894,091	\$0
FY 2011	\$1,894,091	\$0

L- 314 - Pavement Marking Program -

This request is for \$1,894,091 per year of state and federal special revenue to re-establish base budget for the pavement markings program. Although projects were planned, not all projects were completed by the base fiscal year end due to weather delays.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$192,061	\$0
FY 2011	\$192,061	\$0

L- 316 - Noxious Weed Program -

The executive recommends \$192,061 per year of state special revenue in order to restore the base budget for the noxious weed program. Spring weather events prohibited the program from applying herbicides as planned, therefore, not fully expending the budgeted amount.

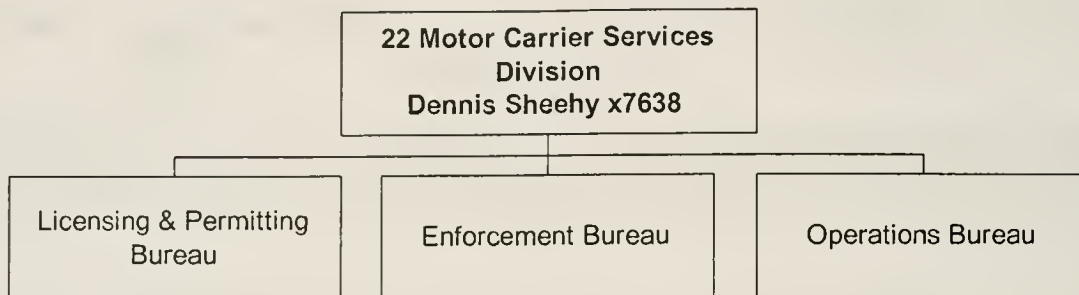
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000,000	\$0
FY 2011	\$10,000,000	\$0

L- 318 - State Funded Construction - Program Transfer -

The executive recommends a transfer of the State Funded Construction Program from the Construction Program to the Maintenance Program. This move will provide a more efficient way of doing business and streamline state fund usage. This \$20 million transfer includes a restoration of the base funding of the State Funded Construction Program and is not request for additional funding.

DEPARTMENT OF TRANSPORTATION-5401

MOTOR CARRIER SERVICES DIV.-22



Program Description - The Motor Carrier Services Division (MCS) administers Montana's commercial motor carrier size, weight, safety, registration, and dyed fuel enforcement programs. The Licensing & Permitting Bureau registers interstate commercial vehicles, issues oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau enforces state and federal commercial motor carrier laws and regulations and operates Montana's statewide network of weigh stations and mobile enforcement officers. The Operations Bureau manages the statewide Motor Carrier Safety Assistance Program (MCSAP) to assure commercial vehicles, drivers, and motor carriers are compliant with state safety laws and federal regulations by conducting vehicle and driver inspections and motor carrier compliance reviews and safety audits. The Motor Carrier Services program is mandated in Title 61, Chapter 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	123.00	0.00	8.00	131.00	0.00	8.00	131.00
Personal Services	6,118,243	727,633	917,682	7,763,558	748,816	934,484	7,801,543
Operating Expenses	1,477,519	1,336,871	1,789,112	4,603,502	1,339,710	1,647,141	4,464,370
Equipment & Intangible Assets	14,102	0	152,000	166,102	0	152,000	166,102
Total Costs	\$7,609,864	\$2,064,504	\$2,858,794	\$12,533,162	\$2,088,526	\$2,733,625	\$12,432,015
State/Other Special	6,050,642	2,351,491	885,184	9,287,317	2,340,363	901,959	9,292,964
Federal Special	1,559,222	(286,987)	1,973,610	3,245,845	(251,837)	1,831,666	3,139,051
Total Funds	\$7,609,864	\$2,064,504	\$2,858,794	\$12,533,162	\$2,088,526	\$2,733,625	\$12,432,015

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$245,977	\$0
FY 2011	\$245,977	\$0

PL- 2202 - Montana-Wyoming Joint Port Project -

Montana and Wyoming are currently operating a "joint" port-of-entry weigh station facility located between Sheridan, Wyoming and the Montana border on Interstate 90. The new facility services northbound and southbound commercial vehicle traffic. The facility is currently staffed with Wyoming Officers who enforce Montana commercial vehicle laws on Montana's behalf. In return for enforcing Montana and federal commercial vehicle laws and safety regulations, MDT pays one half of the of the Wyoming officers' salaries who are assigned to the facility and indirect facility costs including utilities, communications, winter maintenance, etc. Base year costs do not reflect an entire year of operations and this request will annualize the cost to reflect the contractual obligations of the Wyoming/Montana agreement. This is a request for state special revenue of \$491,954 for the biennium.

DEPARTMENT OF TRANSPORTATION-5401

MOTOR CARRIER SERVICES DIV.-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,027,574	\$0
FY 2011	\$1,027,574	\$0

PL- 2205 - Unified Carrier Registration (UCR) -

SAFETEA-LU (federal transportation law) eliminated the Single State Registration System (SSRS) effective January 01, 2007 and required participating states to implement the Uniform Carrier Registration (UCR) program. States receive UCR revenue equal to the revenue previously derived from SSRS, which must be used to fund commercial motor carrier safety activities administered through the state's Motor Carrier Safety Assistance Program (MCSAP). Motor Carrier Services (MCS) was approved for federal special revenue authority for FY 2009 funding but learned after the last legislative session the funds were considered to be state special revenue. This revenue will be used to match federal special revenue for MCSAP and Expanded Commercial Vehicle Information Systems and Networks (ECVISN) projects. The estimated cost is \$2,055,148 in highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$32,371	\$0
FY 2011	\$24,405	\$0

PL- 2208 - Equipment Rental -

The rate schedule required in the budgeting process as a means of providing adequate revenue for the equipment program computes an adjustment to the users of the program. The adjustment for the Motor Carrier Services Program is for \$56,776 in highway state special revenue funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$177,744	\$0
FY 2011	\$177,744	\$0

PL- 2210 - OT/Differential -

This request is to re-establish zero-based overtime and differential pay with associated benefits in the amount of \$355,488 of state and federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$12,355)	\$0
FY 2011	(\$12,355)	\$0

PL- 2211 - Training Adjustment -

This request reduces training expenditures by \$12,355 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$16,798	\$0
FY 2011	\$16,798	\$0

PL- 2214 - Coutts Weight Station -

This request is for \$16,798 per year of state special revenue to meet contract costs with Alberta, Canada for shared use of the Coutts weigh station and inspection facility. The increases in value of the Canadian dollar and maintenance cost have risen since the contract was approved October 19, 2004. As per the contract with Alberta, Montana is billed annually and the statement is in Canadian dollars.

**DEPARTMENT OF TRANSPORTATION-5401
MOTOR CARRIER SERVICES DIV.-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$17,980	\$0
FY 2011	\$17,980	\$0

PL- 2215 - Motor Carrier Safety Assistance Program (MCSAP) -

The executive recommends \$17,980 per year of state and federal special revenue to adjust the budget for training and vehicle rental costs not reflected in the base budget for MCSAP. The increased cost is due to training new recruits coupled with in-state work related travel expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$8,976	\$0

PL- 2216 - Laptop Communication Aircard Maintenance -

This budget request is for maintenance to support aircard monthly charges not included in the base budget. This enables captains, lieutenants, and patrol officers to access state and federal databases from their patrol vehicles when checking for compliance issues with commercial motor vehicles. The adjustment of \$8,976 in state special revenue is needed for the second fiscal year of the biennium only. The first year of the biennium the air cards will be federally funded under the PRISM (Performance Registration Information Systems Management) program which expires at the end of FY 2010.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$453,376	\$0
FY 2011	\$453,552	\$0

NP- 2201 - Maximization Weigh Station I90 Corridor -

This request is to increase 16, 0.50 FTE to 16, 1.00 FTE positions. These positions are necessary to meet increased enforcement presence and allow for 24 hour/7 days a week coverage on the I-90 corridor, the most heavily traveled commercial vehicle route in Montana. The estimated cost is \$906,928 in highway state special revenue and federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$173,562	\$0
FY 2011	\$0	\$0

NP- 2206 - Performance Registration Information Systems Mgmt - OTO -

This request is for Performance Registration Information Systems Management (PRISM). This request is to continue the on-going PRISM program with funds available from the Federal Motor Carrier Safety Administration (FMCSA). The estimated cost is \$173,562 in federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,732,042	\$0
FY 2011	\$1,763,633	\$0

NP- 2207 - Border Enforcement Grant (BEG) -

This request is for federal special revenue to meet the requirements of the Federal Motor Carrier Safety Administration (FMCSA) Border Enforcement Grant (BEG) to monitor commercial vehicle safety on all international ports-of-entry along Montana's northern border with Canada. The estimated cost is \$3,495,675 for the biennium.

DEPARTMENT OF TRANSPORTATION-5401
MOTOR CARRIER SERVICES DIV.-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$499,814	\$0
FY 2011	\$516,440	\$0

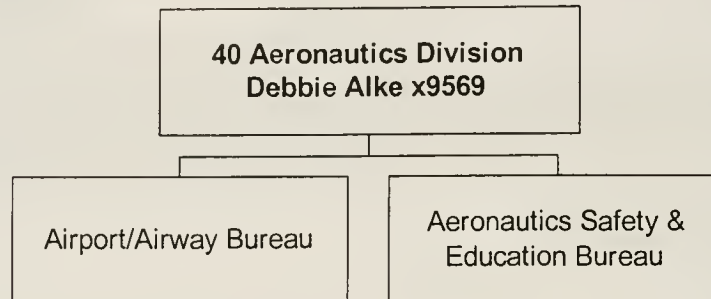
IP- 2212 - MCS Enforcement Bureau Realignment -

This request is associated with costs for reorganization and addressing a rank structure for the Motor Carrier Services (MCS) Enforcement Bureau as a result of a negotiated agreement. The plan will closely align the bureau with the existing structure of the rest of MDT, moving from three to five regions. This request is for \$499,814 in FY 2010 and \$516,440 in FY 2011 of state special revenue.

DEPARTMENT OF TRANSPORTATION-5401

AERONAUTICS PROGRAM-40

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Montana Aeronautics Division: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding of airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; 4) coordinates and supervises aerial search and rescue operations. In accordance with the maintenance and safety aspects of the division's purpose, it administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The division serves in a liaison capacity between the State of Montana and various entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA) and other federal and state entities. The division also is responsible for operation of the air carrier airport at West Yellowstone and for 14 other state-owned airports. Montana Aeronautics Division is authorized by 2-15-2501(2), MCA; Title 67, MCA; and various federal laws.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	616,085	(21,961)	0	594,124	(18,615)	0	597,470
Operating Expenses	950,314	(346,986)	345	603,673	(649,566)	299	301,047
Equipment & Intangible Assets	10,104	0	0	10,104	0	0	10,104
Grants	880,588	973,412	0	1,854,000	(876,588)	0	4,000
Transfers	13,701	0	0	13,701	0	0	13,701
Total Costs	\$2,470,792	\$604,465	\$345	\$3,075,602	(\$1,544,769)	\$299	\$926,322
State/Other Special	1,889,421	901,047	345	2,790,813	(963,148)	299	926,572
Federal Special	581,371	(296,582)	0	284,789	(581,621)	0	(250)
Total Funds	\$2,470,792	\$604,465	\$345	\$3,075,602	(\$1,544,769)	\$299	\$926,322

DEPARTMENT OF TRANSPORTATION-5401 AERONAUTICS PROGRAM-40

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,950	\$0
FY 2011	\$1,950	\$0

PL- 4003 - OT/Differential -

This request is to re-establish zero-based per diem for the Aeronautics Board. This request requires \$3,900 of state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$3,942)	\$0
FY 2011	(\$3,942)	\$0

PL- 4006 - Training Reduction -

This request reduces training expenditures by \$3,942 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$352,907	\$0
FY 2011	(\$447,093)	\$0

PL- 4007 - Aeronautic Grants - BIEN -

Airport grants for safety and development are issued based upon application and available funds. Current state special revenue fund balances would allow the Aeronautics Board to approve up to \$800,000 in grants for the 2011 biennium. Communities often use these funds to leverage federal funds available for airport safety and development. State special revenue funds of \$352,907 in FY 2010 and a reduction of \$447,093 in FY 2011 will restore this biennial budget to the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$454,207	\$0
FY 2011	(\$345,495)	\$0

PL- 4008 - Aeronautic Loans - BIEN -

The Montana State Constitution requires that all monies leaving the state treasury be tied to a specific appropriation. The Aeronautics Loan Program within the Aeronautics Division historically had transactions coded directly to an account without hitting a specific appropriation. This request establishes authority for the Aeronautics Loan Program to fulfill Montana State Constitutional requirements. The biennial amount for this package is \$800,000 in aeronautic loan funds. State special revenue funds of \$454,207 in FY 2010 and a reduction of \$345,793 in FY 2011 will restore this biennial budget to the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$166,000	\$0
FY 2011	(\$84,000)	\$0

PL- 4009 - Pavement Preservation System - BIEN -

Pavement preservation grants are given to the seven large commercial service airports in the state for the purpose of resurfacing the runways. These funds are split among the seven airports and awarded by the Aeronautics Board. State special revenue funds of \$166,000 in FY 2010 and a reduction of \$84,000 in FY 2011 will restore this biennial budget to the base year.

DEPARTMENT OF TRANSPORTATION-5401 AERONAUTICS PROGRAM-40

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$197,422	\$0
FY 2011	(\$102,578)	\$0

PL- 4010 - State System Plan - BIEN -

The update of the system plan is a cooperative effort of the Aeronautics Division and the Federal Aviation Administration (FAA). This report is intended to identify the current resources and trends in the state's aviation system. This request covers the expected costs associated with the FAA grant and contract. This request has a biennial cost of \$4,742 of state special revenue and \$90,102 of federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$73,920)	\$0
FY 2011	(\$78,931)	\$0

PL- 4011 - Aeronautics Division Cost Reduction -

This request is to show an overall reduction of costs associated with the Aeronautics Division. This reduction is due to contract and multiple other minor costs that are reflected in the base but are not planned for the 2011 biennium. The reduction is for \$73,920 in FY 2010 and \$78,931 in FY 2011 of state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$518,584)	\$0
FY 2011	(\$518,584)	\$0

PL- 4015 - Aeronautics Division Airport Adjustment -

This request is to show an overall reduction of \$518,584 per year of federal and state revenue for Aeronautics Division Airports. The Aeronautics Division does not have any major projects planned for this biennium.

-----New Proposals-----

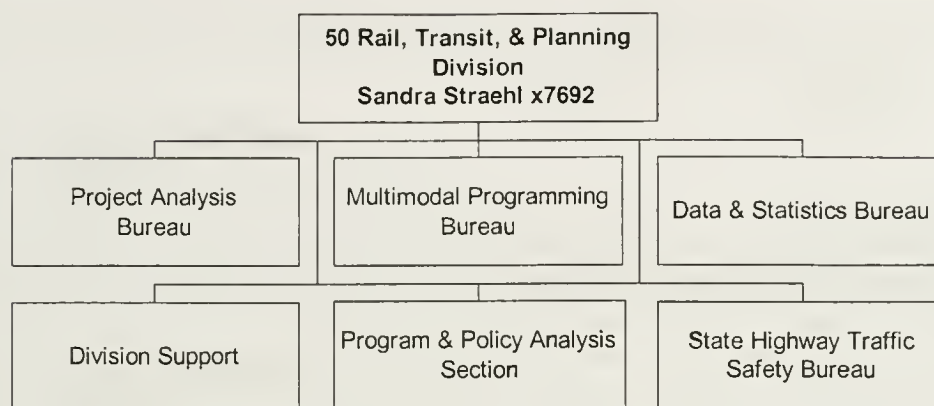
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$345	\$0
FY 2011	\$299	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management Program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This request for the biennium is for \$644 of state special revenue.

DEPARTMENT OF TRANSPORTATION-5401

RAIL, TRANSIT, & PLANNING DIVISION-50



Program Description - The Rail, Transit, & Transportation Planning Division provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; 7) administration and implementation of safety programs that help reduce traffic deaths, injuries, and property losses resulting from traffic crashes; and 8) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US DOT, the Surface Transportation Board, and others. This planning results in a program of projects which includes street highway and bridge improvements, buses for transit systems, railroad track rehabilitation, safe routes to school awards, transportation enhancements for non-motorized use and beautification improvements. The division is authorized by Title 7, Chapter 14-102, Title 15, chapter 70-101, Title 60, Chapters 3 & 11, and Title 61, Chapter 2, part 1, MCA. Federal titles are Title 23 USC Sections 134, 135, and 148(a) (6); Title 49 USC Sections 5310, 5311, and 5307 and SAFETEA-LU Sections 1404, 3018, and 3019.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	74.60	0.00	2.00	76.60	0.00	2.00	76.60
Personal Services	4,572,775	423,415	147,284	5,143,474	445,489	151,328	5,169,592
Operating Expenses	3,316,308	17,997	162,288	3,496,593	15,658	2,507	3,334,473
Equipment & Intangible Assets	36,089	0	0	36,089	0	0	36,089
Local Assistance	447,116	0	0	447,116	0	0	447,116
Grants	12,129,072	1,051,099	558,144	13,738,315	1,051,099	558,144	13,738,315
Total Costs	\$20,501,360	\$1,492,511	\$867,716	\$22,861,587	\$1,512,246	\$711,979	\$22,725,585
State/Other Special	3,724,372	43,236	263,650	4,031,258	47,616	262,050	4,034,038
Federal Special	16,776,988	1,449,275	604,066	18,830,329	1,464,630	449,929	18,691,547
Total Funds	\$20,501,360	\$1,492,511	\$867,716	\$22,861,587	\$1,512,246	\$711,979	\$22,725,585

DEPARTMENT OF TRANSPORTATION-5401 RAIL, TRANSIT, & PLANNING DIVISION-50

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$540)	\$0
FY 2011	(\$540)	\$0

PL- 5001 - Training Reduction -

This request reduces training expenditures by \$540 per year in state special revenue in order to cap training costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,746	\$0
FY 2011	\$11,118	\$0

PL- 5002 - Equipment Rental -

The rate schedule required in the budgeting process as a means of providing adequate revenue for the equipment program computes an adjustment to the users of the equipment. The adjustment for the Transportation Planning Program is for \$14,746 in highway state special revenue and \$11,118 in federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$29,089	\$0
FY 2011	\$29,089	\$0

PL- 5003 - OT/Differential -

This request is to re-establish zero-based overtime and differential pay with associated benefits in the amount of \$58,178 of state and federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,051,099	\$0
FY 2011	\$1,051,099	\$0

PL- 5004 - Bus Purchases (Federal) -

The executive recommends re-establishing the base for bus purchases using federal formula transit funds in the amount of \$1,051,099 per year. In order to accommodate significant increases in FTA capital grants the annual cycle was temporarily abandoned to ensure a successful ramp-up. The ramp-up is now complete and this base adjustment will return the program to an annual cycle.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,000	\$0
FY 2011	\$75,000	\$0

NP- 5005 - Rest Area Stipend -

This request will provide \$75,000 per year of state special revenue to city park rest area communities for minor or routine repairs on rest areas with the understanding that the rest areas are open 24/7 during summer months. There are 13 city park rest areas that all are beyond the original 10 years the communities had agreed to keep them open.

**DEPARTMENT OF TRANSPORTATION-5401
RAIL, TRANSIT, & PLANNING DIVISION-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$531,575	\$0
FY 2011	\$383,838	\$0

NP- 5006 - Highway Traffic Safety Section 408 -

The Rail and Transit Planning Division in conjunction with the Information Services Division is requesting approval to make permanent an OTO from last legislative session for continuing efforts funded by the 408 Data Improvement Grant. This request is for 1.00 FTE and \$915,413 of federal special revenue across the biennium. The funding will support contracted IT architecture and project management oversight and team leadership for the federally funded 408 grant program and intra-agency coordinating committee supporting the implementation of Traffic Records Strategic Plan. This implementation is a critical section of the Montana Comprehensive Highway Safety Plan and specifically involves improvements to the timely and accurate collection of traffic safety data as well as the storage, processing, and ready accessibility to that data by multiple state and federal agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$172,194	\$0
FY 2011	\$172,194	\$0

NP- 5008 - State Elderly & Disabled Transit Assistance -

The state law was changed governing the allocation of TransADE funding. TransADE provides operating funds or matching funds for operating grants for transportation services for persons 60 years of age or older and for persons with disabilities. More funding is available than previously anticipated. This adjustment of \$172,194 per year of state special revenue will ensure the base reflects actual revenue into this program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,995	\$0
FY 2011	\$995	\$0

NP- 5009 - TRANSCAD Software -

This request is for \$9,990 of state and federal special revenue for the biennium. MDT TRANSCAD modeling support for urban transportation planning is an on-going function. TRANSCAD is a complex traffic modeling software used to predict traffic demand within urban areas. This request is to expand this function to reflect the increased demand for urban transportation modeling including the anticipation of two new urban areas after the next census (Columbia Falls and Polson). Both areas will require transportation planning to be in place in advance of the census. This adjustment will ensure that the new transportation planners hired after approval in the last session will all have licenses to support this on-going function.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,059	\$0
FY 2011	\$37,059	\$0

NP- 5010 - Traffic Data Collection Support -

This adjustment will restore base budget to hire contracted temporary employees to obtain statewide traffic data and pay for their travel and equipment costs. There were no qualified temporary employees to fill the positions in the base year. This request is for \$37,059 per year of state and federal special revenue. This adjustment will provide for continuation of statistically valid traffic count program.

**DEPARTMENT OF TRANSPORTATION-5401
RAIL, TRANSIT, & PLANNING DIVISION-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 5011 - Tribal Safety Coordinator -

The executive recommends the addition of a 1.00 FTE tribal safety coordinator. Native Americans are over-represented in Montana's highway fatalities. To reverse this trend, several specialized programs are being deployed to tribal partners by MDT as part of its Comprehensive Highway Safety Plan. This FTE will coordinate resources going to these programs and the cost of the FTE is offset by a reduction in contract expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$29,560	\$0
FY 2011	\$29,560	\$0

NP- 5012 - Weigh-In-Motion (WIM) Support -

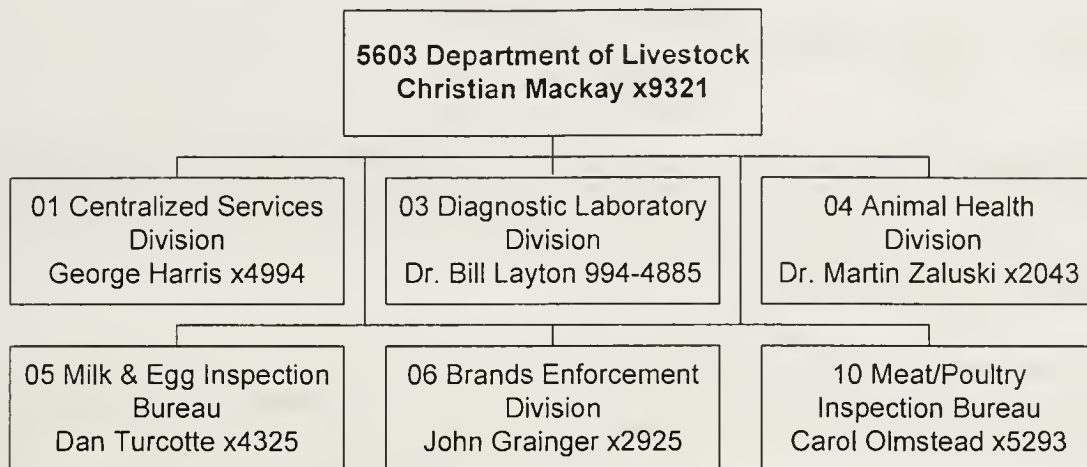
This request is for \$29,560 per year of state and federal special revenue. This adjustment will provide support for the additional WIM sites installed as a part of the Border Enforcement Grant (BEG) including support for the video monitoring components of these sites. The adjustment also includes support for strategic WIM installations that were delayed due to the BEG activities. Additionally, the adjustment provides for additional travel to the BEG sites which are remote and significantly further distances than established in base levels to existing sites.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,333	\$0
FY 2011	\$13,333	\$0

NP- 5013 - Accounting Adjustments -

This decision package for \$26,666 of state and federal special revenue for the biennium is due to a change in accounting treatment from contracted service to the grant category. Additionally, this package will rebuild the communications base that was inadvertently charged to a one-time-only subclass and is not within the base.

DEPARTMENT OF LIVESTOCK-5603



Mission Statement - The mission of the Department of Livestock is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals.

Statutory Authority - Title 81, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	137.99	0.00	3.50	141.49	0.00	5.50	143.49
Personal Services	6,082,816	781,668	188,405	7,052,889	800,098	259,000	7,141,914
Operating Expenses	3,142,130	357,874	503,063	4,003,067	389,188	618,031	4,149,349
Equipment & Intangible Assets	70,052	152,976	0	223,028	139,726	0	209,778
Total Costs	\$9,294,998	\$1,292,518	\$691,468	\$11,278,984	\$1,329,012	\$877,031	\$11,501,041
General Fund	1,065,499	75,233	494,680	1,635,412	84,280	378,105	1,527,884
State/Other Special	6,781,645	1,097,814	296,920	8,176,379	1,119,211	599,079	8,499,935
Federal Special	1,447,854	119,471	(100,132)	1,467,193	125,521	(100,153)	1,473,222
Total Funds	\$9,294,998	\$1,292,518	\$691,468	\$11,278,984	\$1,329,012	\$877,031	\$11,501,041

DEPARTMENT OF LIVESTOCK-5603 CENTRALIZED SERVICES PROGRAM-01

**01 Centralized Services
Division**
 George Harris x4994

Program Description - The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, public information, and general services functions for the department. The Milk Control Bureau staff and the Livestock Loss Reduction Mitigation Board (LLRMB) staff are supervised in the Central Services Division. The Board of Milk Control and the LLRMB are attached to the Department of Livestock for administrative purposes.

The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are also administratively attached. The 57th Legislature administratively attached the Board of Horse Racing (BOHR) to the Department of Livestock. The BOHR and its staff report directly to the executive officer.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	20.78	0.00	0.00	20.78	0.00	0.00	20.78
Personal Services	936,040	174,157	0	1,110,197	176,706	0	1,112,746
Operating Expenses	1,027,685	65,147	11,735	1,104,567	13,224	11,111	1,052,020
Total Costs	\$1,963,725	\$239,304	\$11,735	\$2,214,764	\$189,930	\$11,111	\$2,164,766
General Fund	54,181	18,494	1,080	73,755	18,405	936	73,522
State/Other Special	1,909,544	220,810	10,655	2,141,009	171,525	10,175	2,091,244
Total Funds	\$1,963,725	\$239,304	\$11,735	\$2,214,764	\$189,930	\$11,111	\$2,164,766

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,177	\$0
FY 2011	\$9,177	\$0

PL- 101 - Department P.C. Replacements -

The budget includes an additional \$9,177 state special revenue funding each year of the biennium for personal computer replacements in accordance with state standard replacement schedules.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,500	\$0
FY 2011	\$0	\$0

PL- 102 - I.T. Staff Training - OTO

This one-time-only request is for \$11,500 in FY 2010 state special revenue funding for out of state IT staff training and related expenses.

DEPARTMENT OF LIVESTOCK-5603 CENTRALIZED SERVICES PROGRAM-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,950	\$0
FY 2011	\$3,950	\$0

PL- 103 - Board of Livestock Per Diem -

This proposal restores \$3,950 state special revenue funding each year of the biennium for the Board of Livestock per diem. Per diem expenditures are zero based and must be restored each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,021	\$0
FY 2011	\$3,021	\$0

PL- 104 - Out of State Travel Ex. Officer -

This request is for an additional \$3,021 state special revenue funding each year of the biennium for additional costs associated with out of state travel expenses incurred by the executive officer.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$900	\$0
FY 2011	\$900	\$0

PL- 105 - Board of Horse Racing Per Diem -

The budget includes \$900 state special revenue funding each year of the biennium to restore per diem expenses for the Board of Horse Racing. Per diem expenditures are zero based and must be restored each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$700	\$0
FY 2011	\$700	\$0

PL- 106 - Milk Control Board Per Diem -

The budget includes \$700 state special revenue funding each year of the biennium to restore per diem expenses for the Milk Control Board. Per diem expenditures are zero based and must be restored each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$22,650	\$0
FY 2011	\$22,650	\$0

PL- 107 - Milk Control Board Contract Attorney -

This request of \$22,650 state special revenue funding each year of the biennium is for additional legal costs related to pending litigation involving the Milk Control Board.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$7,369)	\$0
FY 2011	(\$7,369)	\$0

PL- 108 - Predator Control - Base Adjustment -

This proposal reduces state special revenue funding in the base by \$7,369 each year of the biennium. The Predator Control program experienced abnormally high helicopter repair expenses in FY 2008. The Board of Livestock has approved \$319,500 for this program. This request reduces \$7,369 from the base to reflect the Board of Livestock's direction.

DEPARTMENT OF LIVESTOCK-5603 CENTRALIZED SERVICES PROGRAM-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$900	\$900
FY 2011	\$900	\$900

PL- 109 - Per Diem Livestock Loss Reduction Mitigation Board -

This proposal restores \$900 general fund each year of the biennium for the Livestock Loss Reduction Mitigation Board per diem. Per diem expenditures are zero based and must be restored each biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,040	\$0
FY 2011	\$7,040	\$0

NP- 110 - Database Hosting -

This request of \$7,040 state special revenue funding each year of the biennium is for the Animal Health permit system and the Brand Lookup system database hosting housed by Department of Administration's Information Technology Services Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,695	\$1,080
FY 2011	\$4,071	\$936

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$4,695 in FY 2010 and \$4,071 in FY 2011 general fund and state special revenue for the Department of Livestock's allocation of the fixed cost.

DEPARTMENT OF LIVESTOCK-5603 DIAGNOSTIC LABORATORY PROGRAM-03

**03 Diagnostic Laboratory
Division**
 Dr. Bill Layton 994-4885

Program Description - The Diagnostic Laboratory provides livestock laboratory diagnostic support for livestock producers and the Animal Health and Milk and Egg programs. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife, and the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	20.50	0.00	1.50	22.00	0.00	1.50	22.00
Personal Services	1,025,686	81,923	72,951	1,180,560	83,988	72,986	1,182,660
Operating Expenses	632,443	164,818	17,500	814,761	250,078	0	882,521
Equipment & Intangible Assets	6,603	13,250	0	19,853	0	0	6,603
Total Costs	\$1,664,732	\$259,991	\$90,451	\$2,015,174	\$334,066	\$72,986	\$2,071,784
General Fund	446,155	3,907	13,426	463,488	10,668	13,432	470,255
State/Other Special	1,208,526	256,090	77,025	1,541,641	323,405	59,554	1,591,485
Federal Special	10,051	(6)	0	10,045	(7)	0	10,044
Total Funds	\$1,664,732	\$259,991	\$90,451	\$2,015,174	\$334,066	\$72,986	\$2,071,784

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,099	\$2,099
FY 2011	\$8,896	\$8,896

PL- 301 - Diagnostic Lab Increase GF -

This request for \$2,099 increased general fund in FY 2010 and \$8,896 in FY 2011 for the Diagnostic Lab is to address public health and funding issues. In FY 1988 45% of the Diagnostic Lab budget was general fund used to pay for public health testing. The level of general fund support for the lab fell to 6.5% from FY 2004 through FY 2007. The 2007 Legislature increased general fund support for the Diagnostic Lab by \$347,635 each year of the 2009 biennium making general fund support 27% of the lab budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,250	\$0
FY 2011	\$0	\$0

PL- 302 - Lab Novell Server- RST/OTO -

The executive recommends \$13,250 restricted one-time-only state special revenue funding in FY 2010 to replace the Novell server in the Diagnostic Lab.

DEPARTMENT OF LIVESTOCK-5603

DIAGNOSTIC LABORATORY PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,458	\$0
FY 2011	\$8,298	\$0

PL- 303 - Lab Recharges -

This proposal for \$4,458 in FY 2010 and \$8,298 in FY 2011 state special revenue funding is for lab recharges to Montana State University-Bozeman above what was expended in the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$131,672	\$0
FY 2011	\$214,734	\$0

PL- 304 - Lab Supplies -

The executive recommends an additional \$131,672 in FY 2010 and \$214,734 in FY 2011 state special revenue funding for essential lab supplies for which costs have increased an average of 17% per year from FY 2006 to FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,488	\$0
FY 2011	\$8,488	\$0

PL- 305 - Lab Maintenance Contract -

This proposal is for \$5,488 in FY 2010 and \$8,488 in FY 2011 state special revenue funding for additional maintenance costs for lab equipment procured in FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,442	\$0
FY 2011	\$0	\$0

PL- 307 - Milk Lab Incubator-OTO -

Included in the budget is \$1,442 one-time-only state special revenue funding to purchase a new milk incubator in FY 2010. The milk lab's incubator is a key piece of equipment for milk testing for public health. The present incubator is over 15 years old and needs to be replaced.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,200	\$0
FY 2011	\$0	\$0

PL- 308 - Storage Container-OTO -

This proposal is for \$3,200 FY 2010 one-time-only state special revenue funding to purchase a storage container for storage of records, paper, mailers, and boxes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,500	\$0
FY 2011	\$0	\$0

PL- 309 - Air conditioning - Lab Server-OTO -

This request of \$7,500 one-time-only state special revenue funding is to purchase a new air conditioner for the lab server room located in the Marsh Lab building. The current air conditioner is a previously used one from another lab room and is 20 to 25 years old. The air conditioner is operated 24 x 7 from late spring to late autumn.

DEPARTMENT OF LIVESTOCK-5603 DIAGNOSTIC LABORATORY PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,730	\$0
FY 2011	\$1,730	\$0

PL- 310 - Lab Overtime -

This request of \$1,730 state special revenue funding each year of the biennium is to restore zero based overtime to FY 2008 base levels.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,454	\$0
FY 2011	\$4,454	\$0

PL- 311 - Out of State Travel -Lab -

The lab administrator and professional staff are required to attend out of state meetings to represent the State of Montana and keep up on professional requirements. The Board of Livestock has approved five trips. The budget includes \$4,454 state special revenue funding each year of the biennium for increased out of state travel expenses.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 312 - Lab Funding Shortfall -

This request substitutes \$327,888 in FY 2010 and \$417,522 in FY 2011 of animal health fee state special revenue with livestock per capita fee state special revenue. This state special revenue funding switch is necessary to cover the shortfall between animal health revenue and lab operating expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$46,098	\$0
FY 2011	\$46,121	\$0

NP- 313 - Lab Molecular Technologist - FTE -

This proposal is to make the Lab Molecular Technologist position permanent. The 2007 Legislature approved this position as a one-time-only position. The incumbent was to develop, validate, incorporate, and perform polymerase chain reaction (PCR) testing for the laboratory. The department will use \$46,098 in FY 2010 and \$46,121 in FY 2011 state special revenue to fund this position.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$17,500	\$0
FY 2011	\$0	\$0

NP- 314 - Remodel PCR Area - OTO -

This request is for \$17,500 in FY 2010 one-time-only state special revenue funding to convert the lunch room at the Diagnostic Lab in Bozeman to a Polymerase Chain Reaction testing area. This funding will provide counters, shelving, storage space, and new paint.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,853	\$13,426
FY 2011	\$26,865	\$13,432

NP- 315 - Brucellosis Herd Plan -

The Executive recommends adding 0.50 FTE and \$26,853 in FY 2010 and \$26,865 in FY 2011 of general fund and state special revenue funding for an additional lab molecular technologist to assist with the influx of brucellosis blood testing required for the State of Montana to regain and maintain brucellosis Class Free status.

DEPARTMENT OF LIVESTOCK-5603 ANIMAL HEALTH DIVISION-04

**04 Animal Health
Division**
 Dr. Marin Zaluski x2043

Program Description - The Animal Health Division (State Veterinarian Office) provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and US Department of Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public and animal health from rabies by monitoring new rabies infections, and enforcing quarantines.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	14.00	0.00	2.00	16.00	0.00	2.00	16.00
Personal Services	576,413	194,852	115,454	886,719	199,170	115,493	891,076
Operating Expenses	778,272	10,589	301,478	1,090,339	11,916	486,360	1,276,548
Equipment & Intangible Assets	21,175	26,000	0	47,175	26,000	0	47,175
Total Costs	\$1,375,860	\$231,441	\$416,932	\$2,024,233	\$237,086	\$601,853	\$2,214,799
General Fund	0	0	307,824	307,824	0	352,637	352,637
State/Other Special	479,454	185,506	244,240	909,200	187,475	384,369	1,051,298
Federal Special	896,406	45,935	(135,132)	807,209	49,611	(135,153)	810,864
Total Funds	\$1,375,860	\$231,441	\$416,932	\$2,024,233	\$237,086	\$601,853	\$2,214,799

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,000	\$0
FY 2011	\$26,000	\$0

PL- 403 - Animal Health - Vehicle Replacements - OTO -

The budget includes \$26,000 one-time-only state special revenue funding each year of the biennium for vehicle replacements. The Animal Health division will replace two 4x4 extended cab pickups with two 4x4 hybrid small SUVs to help meet the Governor's 20X10 energy efficiency initiative.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,874	\$0
FY 2011	\$1,874	\$0

PL- 405 - Animal Health - Out of State Travel -

The state veterinarian and professional staff are required to attend out of state meetings to represent the state and to keep up on professional requirements. The Board of Livestock has approved six trips. This proposal increases the base by \$1,874 each year of the biennium funded by per capita fee state special revenue.

**DEPARTMENT OF LIVESTOCK-5603
ANIMAL HEALTH DIVISION-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,402	\$0
FY 2011	\$1,402	\$0

PL- 406 - Animal Health - Overtime -

This budget request is recommended to restore state special revenue funding of \$1,402 each year of the 2011 biennium for overtime in the Animal Health Division. Overtime is zero based and must be restored each biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$135,132)	\$0
FY 2011	(\$135,153)	\$0

NP- 404 - Bison Federal Funds -

This proposal decreases federal special revenue funding by \$135,132 in FY 2010 and \$135,153 in FY 2011 for bison operations. The bison federal funds are based upon two cooperative agreements with USDA/APHIS. One agreement for bison operations is for \$600,000 that includes 6.00 FTE. The other agreement for the Greater Yellowstone Brucellosis Committee (GYIBC) is for \$191,280. This decision package adjusts the request to coincide with the latest agreements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$98,100	\$98,100
FY 2011	\$0	\$0

NP- 407 - Animal Health System Development - OTO/Bien -

The executive recommends a \$98,100 one-time-only biennial general fund appropriation to replace the Animal Health Tracking and Permit system. The new system will make animal health permits available on the internet 24 hours a day 7 days a week and will cut down on labor costs involved with a phone based application and permit system. The current system is 17 years old and has become obsolete.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$34,517	\$0
FY 2011	\$31,732	\$0

NP- 408 - Animal Health - Administrative Support -

The budget includes \$34,517 in FY 2010 and \$31,732 in FY 2011 state special revenue funding for 1.00 FTE to work in the import office. At current staffing levels, the import office cannot meet its statutory and customer service obligations, nor can the staff provide surge capacity for unanticipated disease events such as Montana's recent brucellosis cases. Customer service obligations include consistent coverage of the permitting phone line during business hours, timely responses to inquiries, and timely processing of licensure and import applications.

**DEPARTMENT OF LIVESTOCK-5603
ANIMAL HEALTH DIVISION-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$419,447	\$209,724
FY 2011	\$705,274	\$352,637

NP- 409 - Brucellosis Herd Plan -

The executive recommends adding 2.00 FTE and \$419,447 in FY 2010 and \$705,274 in FY 2011 of general fund and state special revenue funding to regain Class Free brucellosis status for the State of Montana and to sustain enhanced brucellosis surveillance and risk mitigation in the Greater Yellowstone Area. In September of 2008, Montana's brucellosis status was downgraded to Class A from brucellosis Class Free status; a designation that Montana had held since 1985. This downgrade was the result of the diagnoses of brucellosis in livestock in May, 2007 and May, 2008. Through circumstantial evidence, both cases of brucellosis transmission were linked to brucellosis infected wild free ranging elk in the Greater Yellowstone Area. A 1.00 FTE veterinarian will conduct risk assessments and brucellosis blood testing while the other 1.00 FTE, an administrative support specialist, will compile, document, summarize, and monitor testing status. This request includes \$285,156 in FY 2010 and \$570,313 in FY 2011 for brucellosis blood testing of all eligible cattle located in the Greater Yellowstone Area with additional testing of cattle prior to movement from a high risk area to a low risk area or a change of ownership. In addition, this funding will provide adult brucellosis vaccination of livestock in the high risk area surrounding Yellowstone National Park. If the department is successful in obtaining federal funding for this purpose, it will be used to offset the general fund costs. This request is in addition to appropriations contained in HB 3 for the initial round of testing and vaccinations.

DEPARTMENT OF LIVESTOCK-5603

MILK & EGG PROGRAM-05

05 Milk & Egg
Inspection Bureau
 Dan Turcotte x4325

Program Description - The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	242,554	39,661	0	282,215	40,383	0	282,937
Operating Expenses	46,962	5,809	0	52,771	10,175	0	57,137
Equipment & Intangible Assets	0	26,000	0	26,000	26,000	0	26,000
Total Costs	\$289,516	\$71,470	\$0	\$360,986	\$76,558	\$0	\$366,074
State/Other Special	271,635	89,351	(35,000)	325,986	94,439	(35,000)	331,074
Federal Special	17,881	(17,881)	35,000	35,000	(17,881)	35,000	35,000
Total Funds	\$289,516	\$71,470	\$0	\$360,986	\$76,558	\$0	\$366,074

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,000	\$0
FY 2011	\$26,000	\$0

PL- 501 - Milk & Egg Bureau Vehicle Replacement - OTO -

The budget includes \$26,000 one-time-only state special revenue funding each year of the biennium for vehicle replacements. The Milk and Egg division will replace two 4x4 extended cab pickups with two 4x4 hybrid small SUVs to help meet the Governor's 20X10 energy efficiency initiative.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,181	\$0
FY 2011	\$5,941	\$0

PL- 502 - Milk & Egg - Out of State Travel -

This proposal increases state special revenue funding by \$2,181 in FY 2010 and \$5,941 in FY 2011 for out of state travel. The Board of Livestock has approved out of state travel for the Milk and Egg Bureau for sanitarians to maintain required qualifications. Each year two sanitarians attend the Milk Rating Officer meetings. In 2011 only, the Board of Livestock approved plans for two sanitarians to attend the Interstate Milk Shippers meeting.

**DEPARTMENT OF LIVESTOCK-5603
MILK & EGG PROGRAM-05**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 503 - Milk & Egg Funding Switch -

This request substitutes \$35,000 of state special revenue funding each year of the biennium with federal special revenue funding for inspecting dairies that are also involved in egg production. The federal government reimburses the bureau for their inspection of these egg operations in accordance with federal standards.

DEPARTMENT OF LIVESTOCK-5603 BRANDS ENFORCEMENT DIVISION-06

**06 Brands Enforcement
Division**
 John Grainger x2925

Program Description - The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and livestock inspections.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	57.21	0.00	0.00	57.21	0.00	2.00	59.21
Personal Services	2,464,060	201,227	0	2,665,287	207,188	70,521	2,741,769
Operating Expenses	407,009	52,887	172,350	632,246	43,242	120,560	570,811
Equipment & Intangible Assets	42,274	87,726	0	130,000	87,726	0	130,000
Total Costs	\$2,913,343	\$341,840	\$172,350	\$3,427,533	\$338,156	\$191,081	\$3,442,580
General Fund	3,057	(1)	172,350	175,406	(1)	11,100	14,156
State/Other Special	2,910,286	341,841	0	3,252,127	338,157	179,981	3,428,424
Total Funds	\$2,913,343	\$341,840	\$172,350	\$3,427,533	\$338,156	\$191,081	\$3,442,580

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$87,726	\$0
FY 2011	\$87,726	\$0

PL- 602 - Brands - Vehicle Replacement - OTO -

The budget includes \$87,726 one-time-only state special revenue funding each year of the biennium to purchase replacement 4x4 extended cab pickups set up for law enforcement and towing. This proposal provides funding to purchase five vehicles per year at a cost of \$26,000 per vehicle. The Brands Enforcement division has \$42,274 in their base budget for this purpose. This proposal includes the purchase of one 4x4 hybrid small SUV to help meet the Governor's 20X10 energy efficiency initiative.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,000	\$0
FY 2011	\$0	\$0

PL- 603 - Brands - Firearm Replacement - OTO -

The executive recommends \$15,000 one-time-only state special revenue funding in FY 2010 for replacement firearms. The Brand Enforcement Division has not replaced handguns since 1992. The guns are old and many replacement parts are not available for the existing firearms.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$80,523	\$0
FY 2011	\$80,523	\$0

PL- 605 - Brands - Overtime -

The Brand Enforcement Division experiences significant overtime; especially during fall markets. This request restores the FY 2008 base overtime of \$80,523 state special revenue funding each year of the 2011 biennium.

DEPARTMENT OF LIVESTOCK-5603 BRANDS ENFORCEMENT DIVISION-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,947	\$0
FY 2011	\$6,947	\$0

PL- 606 - Brands - Out of State Travel -

The budget includes \$6,947 state special revenue funding each year of the biennium for the Brands Enforcement Administrator and professional staff to attend out of state meetings to represent the state and to keep up on professional requirements. The Board of Livestock has approved five trips.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$179,981	\$0

NP- 601 - Brands - Ten Year Rerecord - OTO -

The executive recommends \$179,981 one-time-only state special revenue funding in FY 2011 for personal services and operating costs associated with the ten year brand rerecord. The Brand Enforcement Division rerecords all brands every ten years. The next rerecord is in 2011. This large undertaking will require an additional 2.00 FTE to send out over 60,000 notices and gear up for the entire process.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$172,350	\$172,350
FY 2011	\$11,100	\$11,100

NP- 604 - Brands - System Upgrade – OTO/Bien -

The executive recommends \$172,350 in FY 2010 and \$11,100 in FY 2011 one-time-only biennial general fund appropriation to replace the Brand Enforcement Division recording and lookup system. The current system is 18 years old and has become obsolete.

DEPARTMENT OF LIVESTOCK-5603 MEAT/POULTRY INSPECTION-10

**10 Meat/Poultry Inspection
Bureau**
 Carol Olmstead x5293

Program Description - The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly labeled meat and poultry products for consumers.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	20.50	0.00	0.00	20.50	0.00	0.00	20.50
Personal Services	838,063	89,848	0	927,911	92,663	0	930,726
Operating Expenses	249,759	58,624	0	308,383	60,553	0	310,312
Total Costs	\$1,087,822	\$148,472	\$0	\$1,236,294	\$153,216	\$0	\$1,241,038
General Fund	562,106	52,833	0	614,939	55,208	0	617,314
State/Other Special	2,200	4,216	0	6,416	4,210	0	6,410
Federal Special	523,516	91,423	0	614,939	93,798	0	617,314
Total Funds	\$1,087,822	\$148,472	\$0	\$1,236,294	\$153,216	\$0	\$1,241,038

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$17,500	\$8,750
FY 2011	\$17,500	\$8,750

PL- 1001 - Meat Inspection - Computers-OTO -

This request is for \$17,500 general fund and federal special revenue funding each year of the biennium for PHDCIS replacement computers. The federal government requires computers and software used by state meat inspectors to be equal in status to USDA FSIS. Funding for this program is fifty percent general fund and fifty percent federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,776	\$1,388
FY 2011	\$2,776	\$1,388

PL- 1002 - Meat Inspection - Lab Sampling -

New regulations and policies within USDA FSIS require additional microbiological sampling and testing of meat and poultry products. In order for the Montana Meat & Poultry Inspection program to remain equal to USDA, the department needs to implement additional sampling and testing of meat products. This proposal increases the base by \$2,776 general fund and federal special revenue funding each year of the biennium.

**DEPARTMENT OF LIVESTOCK-5603
MEAT/POULTRY INSPECTION-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,147	\$1,573
FY 2011	\$3,147	\$1,573

PL- 1003 - Meat Inspection - Out of State Travel -

The budget includes \$3,147 general fund and state special revenue funding each year of the biennium for the meat inspection bureau chief and professional staff to attend out of state meetings to represent the state and to keep up on professional requirements. The Board of Livestock has approved three trips. Funding for this program is split between 50 percent general fund and 50 percent federal special revenue.

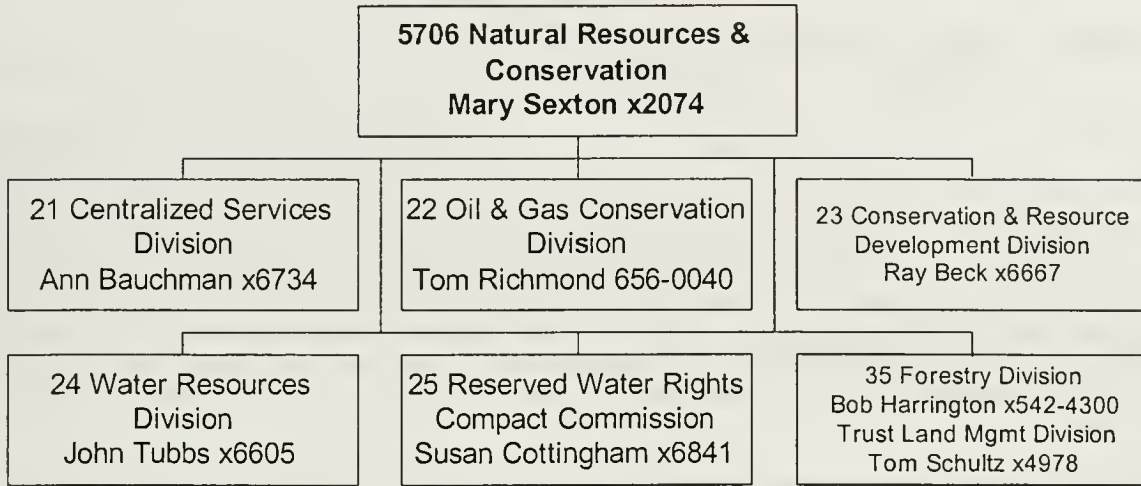
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,953	\$6,977
FY 2011	\$13,953	\$6,977

PL- 1004 - PHPCIS - Maintenance Contracts & Service -

The executive recommends \$13,953 general fund and federal special revenue each year of the biennium to provide computer hardware and software maintenance contracts for the Meat Inspection program. This program is funded 50 percent from general fund and 50 percent from federal special revenue.

DEPT NAT RESOURCE/CONSERVATION-5706

Please note that this agency also contains proprietary funding (see Section P).

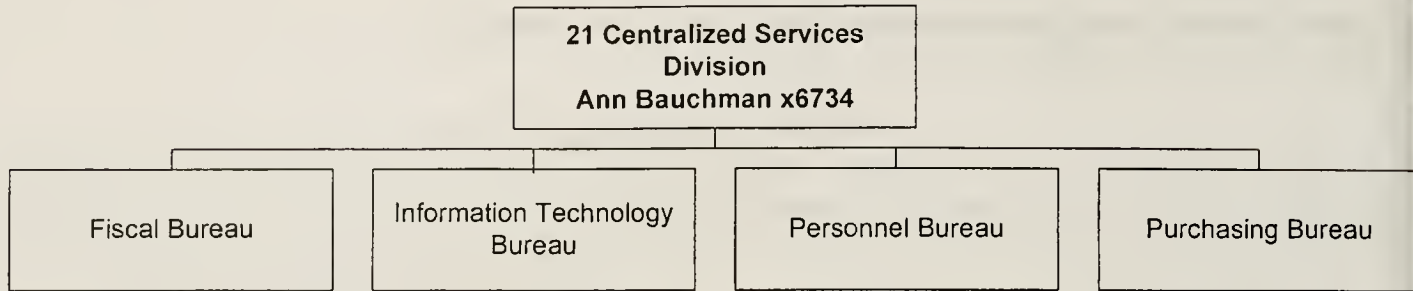


Mission Statement - To ensure Montana's land and water resources provide benefits for present and future generations.

Statutory Authority - 2-15-104 and Title 2, chapter 15, part 33, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	544.37	(2.50)	11.82	553.69	(2.50)	11.82	553.69
Personal Services	29,564,814	2,660,964	466,557	32,692,335	2,759,984	466,859	32,791,657
Operating Expenses	13,078,619	1,823,330	737,096	15,639,045	1,961,874	651,197	15,691,690
Equipment & Intangible Assets	1,217,708	84,310	35,500	1,337,518	92,269	35,500	1,345,477
Capital Outlay	69,788	0	0	69,788	0	0	69,788
Local Assistance	0	200,000	0	200,000	200,000	0	200,000
Grants	1,410,342	200,000	0	1,610,342	200,000	0	1,610,342
Transfers	959,895	258,495	0	1,218,390	268,549	0	1,228,444
Debt Service	387,283	90,784	0	478,067	90,784	0	478,067
Total Costs	\$46,688,449	\$5,317,883	\$1,239,153	\$53,245,485	\$5,573,460	\$1,153,556	\$53,415,465
General Fund	20,883,410	1,870,433	630,221	23,384,064	1,911,223	628,419	23,423,052
State/Other Special	24,052,836	3,231,983	468,990	27,753,809	3,462,097	385,195	27,900,128
Federal Special	1,752,203	215,467	139,942	2,107,612	200,140	139,942	2,092,285
Total Funds	\$46,688,449	\$5,317,883	\$1,239,153	\$53,245,485	\$5,573,460	\$1,153,556	\$53,415,465

DEPT NAT RESOURCE/CONSERVATION-5706 CENTRALIZED SERVICES-21



Program Description - The Centralized Services Division provides managerial and administrative support services to the department through: 1) the Director's Office, which includes the director, legal staff, and public information; and 2) support services, which manages all financial activities, coordinates information systems, produces publications and graphic materials, and performs general administrative support services. Support services include fiscal affairs, data processing, personnel, legal, reception, and mail. Responsibilities include trust revenue collection and distribution and maintenance of ownership records for trust and non-trust state-owned land. The division also coordinates the state's Restoration Program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	41.50	0.00	0.00	41.50	0.00	0.00	41.50
Personal Services	2,421,039	276,327	0	2,697,366	285,383	0	2,706,422
Operating Expenses	767,779	281,401	11,636	1,060,816	180,778	11,418	959,975
Equipment & Intangible Assets	7,155	0	0	7,155	0	0	7,155
Total Costs	\$3,195,973	\$557,728	\$11,636	\$3,765,337	\$466,161	\$11,418	\$3,673,552
General Fund	2,414,779	311,497	6,636	2,732,912	234,842	6,418	2,656,039
State/Other Special	681,199	161,709	0	842,908	164,478	0	845,677
Federal Special	99,995	84,522	5,000	189,517	66,841	5,000	171,836
Total Funds	\$3,195,973	\$557,728	\$11,636	\$3,765,337	\$466,161	\$11,418	\$3,673,552

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$48,942	\$9,176
FY 2011	\$70,685	\$20,831

PL- 2101 - Centralized Services Operating Adjustment -

This request is for \$48,942 in FY 2010 and \$70,685 in FY 2011 of general, state special, and federal special funds. The funds are for increased rates for janitorial services, targeted server and computer replacement, and rent at one non-state building.

**DEPT NAT RESOURCE/CONSERVATION-5706
CENTRALIZED SERVICES-21**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$5,000
FY 2011	\$10,000	\$5,000

NP- 2151 - Centralized Services Legal Imaging - OTO -

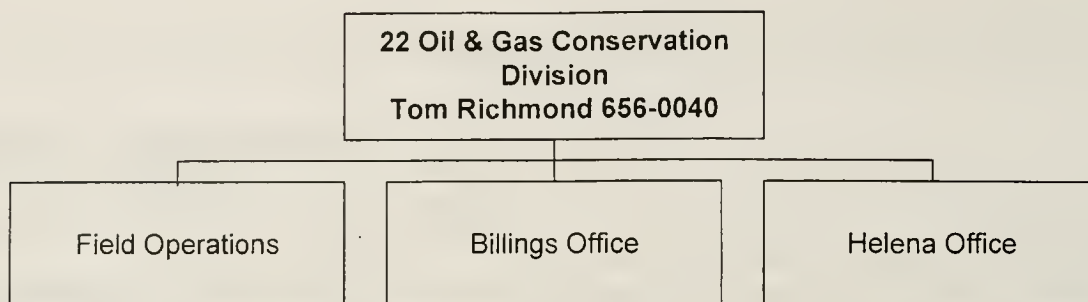
This one-time-only request is for general and federal special funds of \$10,000 per year to institute and maintain a searchable electronic database of the Department of Natural Resource and Conservation Legal Unit's case files using FileNet. The project is contracted through the Department of Administration-ITSD.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,636	\$1,636
FY 2011	\$1,418	\$1,418

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This request is for \$3,054 of general funds across the biennium.

**DEPT NAT RESOURCE/CONSERVATION-5706
OIL & GAS CONSERVATION DIV.-22**



Program Description - The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. The division 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) performs engineering studies; 7) determines incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects; 8) operates the underground injection control program; 9) plugs orphan wells; and 10) collects and maintains complete well data and production information.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	20.50	0.00	0.00	20.50	0.00	0.00	20.50
Personal Services	1,004,109	257,371	71,658	1,333,138	272,815	71,658	1,348,582
Operating Expenses	676,963	21,641	59,142	757,746	22,651	59,028	758,642
Equipment & Intangible Assets	47,672	50,000	12,500	110,172	50,000	12,500	110,172
Grants	3,000	0	0	3,000	0	0	3,000
Total Costs	\$1,731,744	\$329,012	\$143,300	\$2,204,056	\$345,466	\$143,186	\$2,220,396
State/Other Special	1,731,744	329,012	8,358	2,069,114	345,466	8,244	2,085,454
Federal Special	0	0	134,942	134,942	0	134,942	134,942
Total Funds	\$1,731,744	\$329,012	\$143,300	\$2,204,056	\$345,466	\$143,186	\$2,220,396

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$18,246	\$0
FY 2011	\$31,414	\$0

PL- 2201 - Oil & Gas Operating Adjustment -

The executive recommends additional state special revenue of \$18,246 in FY 2010 and \$31,414 in FY 2011 for per diem, exempt staff pay, janitorial, and rent increases for non-state buildings within the Regulatory and Underground Injection Control Programs.

**DEPT NAT RESOURCE/CONSERVATION-5706
OIL & GAS CONSERVATION DIV.-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$50,000	\$0

PL- 2202 - Board of Oil & Gas Office Equipment-BIEN-OTO -

This one-time-only biennial budget request is for \$100,000 of state special revenue funds in order to procure four new office cubicles estimated at \$10,000 each and a high density compact mobile storage system for well files estimated at \$60,000 for the new building in Billings approved by the 60th Legislature. Those costs were not included in the building costs developed by Architecture and Engineering.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,500	\$0
FY 2011	\$7,500	\$0

NP- 2204 - North American Prospect Exhibition-OTO -

This one-time-only state special revenue budget request is for \$7,500 per year for staff and board members to attend and sponsor a booth at the annual North American Prospect Exhibition in Houston. Funding will provide travel, supplies, booth rental and registration fees.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$134,942	\$0
FY 2011	\$134,942	\$0

NP- 2206 - Underground Injection Control (UIC) Funding Change -

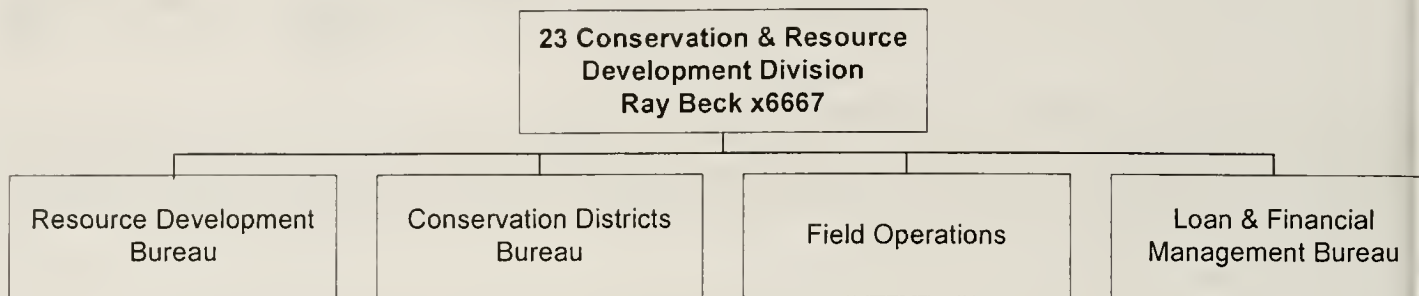
This request is to authorize a funding switch to federal special revenue of \$134,942 in FY 2010 and FY 2011 for the UIC program. The department historically has had language in HB 2 that allowed it to shift authority from state special revenue to federal funding when the grant amount was known for this program. That language was stricken last session and authority is needed for the annual Environmental Protection Agency (EPA) grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$858	\$0
FY 2011	\$744	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This decision package is for \$1,602 of state special revenue funds across the biennium.

DEPT NAT RESOURCE/CONSERVATION-5706
CONSERVATION/RESOURCE DEV DIV-23



Program Description - The Conservation and Resource Development Division provides technical, administrative, financial and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act, and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies, and private citizens. The programs include the state revolving fund, which at the end of FY 2008 includes, \$358 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$36.3 million, and private loans for \$18.1 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	24.50	0.00	0.00	24.50	0.00	0.00	24.50
Personal Services	1,501,343	90,941	0	1,592,284	98,044	0	1,599,387
Operating Expenses	1,820,039	193,964	102,478	2,116,481	222,122	102,348	2,144,509
Equipment & Intangible Assets	45,141	0	0	45,141	0	0	45,141
Local Assistance	0	200,000	0	200,000	200,000	0	200,000
Grants	1,222,851	200,000	0	1,422,851	200,000	0	1,422,851
Total Costs	\$4,589,374	\$684,905	\$102,478	\$5,376,757	\$720,166	\$102,348	\$5,411,888
General Fund	1,367,141	49,750	102,478	1,519,369	63,075	102,348	1,532,564
State/Other Special	2,956,284	605,155	0	3,561,439	627,091	0	3,583,375
Federal Special	265,949	30,000	0	295,949	30,000	0	295,949
Total Funds	\$4,589,374	\$684,905	\$102,478	\$5,376,757	\$720,166	\$102,348	\$5,411,888

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$61,000	\$8,340
FY 2011	\$88,700	\$15,545

PL- 2301 - CARDD Operating Adjustment -

This budget request is for \$61,000 in FY 2010 and \$88,700 in FY 2011 of general, state special, federal special funds to restore the base budget due to increased rent, travel and supply costs, cleaning service fees, and increased contract workloads loan and grant programs.

**DEPT NAT RESOURCE/CONSERVATION-5706
CONSERVATION/RESOURCE DEV DIV-23**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,000	\$0
FY 2011	\$9,000	\$0

PL- 2302 - Montana Grass Conservation Commission (MGCC) -

This request is for \$18,000 of state special revenue across the biennium for items including MGCC contract executive director services, travel, supplies and materials, and other operating expenses of MGCC.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$48,000	\$0
FY 2011	\$48,000	\$0

PL- 2303 - Coal Bed Methane CD Administration -

This state special revenue request is for \$48,000 per year. These funds will allow conservation districts with coal bed methane development or impacts associated with such development to use these funds for expenses involved in operating the Coal Bed Methane Protection Program established under 76-15-90, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 2304 - Drinking Water Loan Assistance -

The executive recommends \$200,000 each year in state special revenue to mirror the federal program authority for the Safe Drinking Water Program. This will allow the state to give local assistance to borrowers of the program as described in the federal legislation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$64,000	\$0
FY 2011	\$64,000	\$0

PL- 2305 - Regional Water Systems -

This budget request is for \$64,000 per year of state special revenue funds to increase base expenditures for the continued development of Dry Prairie, Dry Red Water, Central Montana, and the North Central Regional Water System. These systems will facilitate the construction of a Regional Water Systems for small communities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 2307 - Conservation District Grants - OTO -

This one-time-only request includes \$200,000 state special revenue from the coal severance tax shared account for each year of the biennium. Funding is based upon available revenue within the fund which is statutorily designated only for libraries, conservation districts, and Growth Through Agriculture. Funds will be used for grants to local conservation districts.

**DEPT NAT RESOURCE/CONSERVATION-5706
CONSERVATION/RESOURCE DEV DIV-23**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$101,500	\$101,500
FY 2011	\$101,500	\$101,500

NP- 2306 - Montana Rural Water Systems (Bien/OTO) -

This budget includes \$203,000 one-time-only general fund for the biennium to support Montana Rural Water Systems (MRWS). MRWS provides assistance to small regional water systems to meet requirements of the Safe Drinking Water Act and the state non-degradation rule. The funding replaces lost federal funding and was also funded in the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 2308 - State Special Revenue Funding Switch -

This request includes a funding switch of approximately \$700,000 per year for the Conservation and Resource Development Division from the Natural Resources Operations Account to the Coal Severance Tax Shared Account. The request is required in order to balance available resources within each fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$978	\$978
FY 2011	\$848	\$848

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This decision package is for \$1,826 of general funds across the biennium.

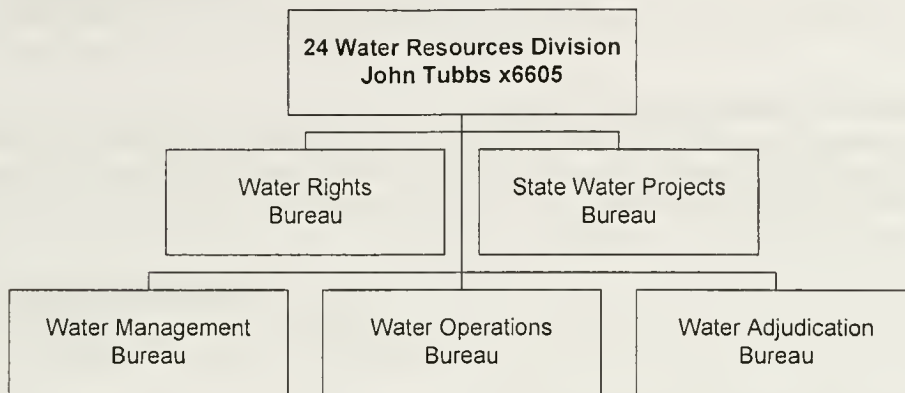
Language Recommendations - "The department is appropriated up to \$600,000 for the 2011 biennium from the state special revenue account established in 85-1-604, MCA, for the purchase of prior liens on property held as loan security as required by 85-1-618, MCA."

"The department is authorized to decrease federal special revenue in the Pollution Control and/or Drinking Water Revolving Fund Loan programs and increase state special revenue by a like amount within the Special Administration Account when the amount of federal EPA CAP funds has been expended or federal funds and bond proceeds will be used for other program purposes."

"There is appropriated up to \$1 million of state special revenue for the 2011 biennium from the coal bed methane account to fund potential landowner or water right holder claims for emergency loss of water related to coal bed methane development."

"If Montana Rural Water Systems receives federal funding during the 2011 biennium, Montana Rural Water Systems (Bien/OTO) is reduced by a like amount."

**DEPT NAT RESOURCE/CONSERVATION-5706
WATER RESOURCES DIVISION-24**



Program Description - The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division manages and maintains the state-owned dams, reservoirs, and canals; develops and recommends in state, interstate, and international water policy to the director, Governor, and Legislature; administers the Dam Safety, Floodplain Management, and Water Management programs; provides support to the Board of Water Well Contractors; assists the Water Court with the adjudication of pre-July 1, 1973 water rights; administers applications for new water rights, changes in historic water rights and ownership updates; and is responsible for maintaining centralized water rights records. The division consists of an administration unit and five bureaus: Water Management Bureau, Water Rights Bureau, Water Adjudication Bureau, State Water Projects Bureau, and the Water Operations Bureau. In addition, the Flathead Basin Commission is administratively attached to the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	157.00	5.00	0.00	162.00	5.00	0.00	162.00
Personal Services	8,634,298	1,179,808	0	9,814,106	1,216,088	0	9,850,386
Operating Expenses	2,915,678	162,855	313,805	3,392,338	223,488	312,966	3,452,132
Equipment & Intangible Assets	103,602	0	0	103,602	8,300	0	111,902
Capital Outlay	3,000	0	0	3,000	0	0	3,000
Debt Service	378,960	90,784	0	469,744	90,784	0	469,744
Total Costs	\$12,035,538	\$1,433,447	\$313,805	\$13,782,790	\$1,538,660	\$312,966	\$13,887,164
General Fund	7,518,992	1,141,111	6,305	8,666,408	1,200,095	5,466	8,724,553
State/Other Special	4,378,928	260,042	307,500	4,946,470	306,247	307,500	4,992,675
Federal Special	137,618	32,294	0	169,912	32,318	0	169,936
Total Funds	\$12,035,538	\$1,433,447	\$313,805	\$13,782,790	\$1,538,660	\$312,966	\$13,887,164

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$167,107	\$47,110
FY 2011	\$243,429	\$94,220

PL- 2402 - Water Resources Operating Adjustment -

This budget request is for \$167,107 in FY 2010 and \$243,429 in FY 2011 of general, state special, and federal special funds. This will restore funding for zero-based overtime, contract services, supplies, copier and computer replacements, debt service, rent increases, and other equipment replacement.

**DEPT NAT RESOURCE/CONSERVATION-5706
WATER RESOURCES DIVISION-24**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$50,000	\$0

PL- 2403 - Community Assistance Program Federal -

This federal special revenue request is for \$100,000 in authority for the 2011 biennium for the annual award of funds from the Federal Emergency Management Agency (FEMA). FEMA funds the Community Assistance Program of the National Flood Insurance Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$505,797	\$505,797
FY 2011	\$498,290	\$498,290

PL- 2404 - Reserved Water Rights Implementation -

The 2007 Legislature approved a transfer of authority from Reserved Water Rights Compact Commission (RWRCC) to the Water Resources Division to transition the commission from negotiation to implementation activities after the commission sunsets on July 1, 2009; but because the 2007 Legislature approved the switch for FY 2009, it does not appear in the base budget. This request is for 5 FTE and \$505,797 in FY 2010 and \$498,290 in FY 2011 of general fund to establish the base for compact implementation. If there is successful legislation during the 2009 session to extend the sunset of the compact commission, as has occurred 6 times in the 30 year life of the commission, this decision package is void. The Executive Budget contains contingent funding in the event such an extension occurs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$171,924)	\$0
FY 2011	(\$171,924)	\$0

PL- 2451 - Water Rights Adjustment -

This request is to reduce the Water Rights Bureau funding by \$171,924 per year of state special revenue. The Water Rights Ownership Project was a one-time cost and does not need to be carried forward in the base budget.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$307,500	\$0
FY 2011	\$307,500	\$0

NP- 2401 - State Water Projects Rehabilitation-BIEN-OTO -

The executive recommends a one-time-only biennial appropriation of \$615,000 in state special revenue for rehabilitation work to bring Deadman's Basin outlet extension in compliance with dam safety standards, repair Middle Creek railing for public safety concerns, and for ongoing repairs at the Broadwater-Toston Dam.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,305	\$6,305
FY 2011	\$5,466	\$5,466

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This decision package is for \$11,771 of general funds across the biennium.

DEPT NAT RESOURCE/CONSERVATION-5706
WATER RESOURCES DIVISION-24

Language Recommendations - "During the 2011 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility."

During the 2011 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

During the 2011 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects."

DEPT NAT RESOURCE/CONSERVATION-5706 RESERVED WATER RIGHTS COMP COM-25

25 Reserved Water Rights Compact Commission Susan Cottingham x6841

Program Description - The Montana Reserved Water Rights Compact Commission was created by the Legislature in 1979 as part of the state-wide water rights adjudication effort. 85-2-701 et seq. It consists of four members appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives, and one by the Attorney General. Members serve for four years. The commission negotiates water rights with the Indian tribes and federal agencies, which claim federal reserved water rights within the state, to establish a formal agreement (compact) on the amount of water to be allocated to each interest. The Compact Commission is scheduled to sunset on July 1, 2009.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	7.50	(7.50)	0.00	0.00	(7.50)	0.00	0.00
Personal Services	588,760	(588,760)	0	30,000	(588,760)	0	0
Operating Expenses	129,537	(129,537)	0	0	(129,537)	0	0
Total Costs	\$718,297	(\$688,297)	\$0	\$30,000	(\$718,297)	\$0	\$0
General Fund	718,297	(688,297)	0	30,000	(718,297)	0	0
Total Funds	\$718,297	(\$688,297)	\$0	\$30,000	(\$718,297)	\$0	\$0

-----Present Law Adjustments-----

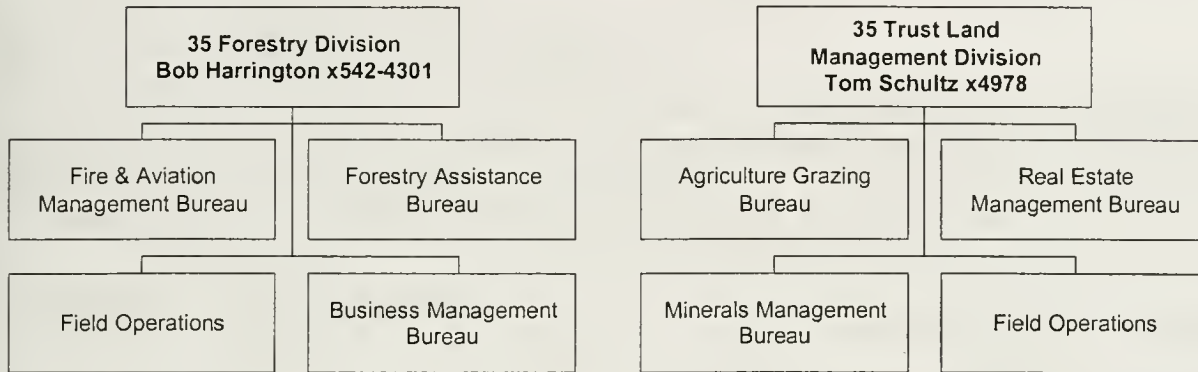
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$691,319)	(\$691,319)
FY 2011	(\$725,697)	(\$725,697)

PL- 2501 - Reserved Water Rights Compact Commission Sunset -

The Reserved Water Rights Compact Commission (RWRCC) will sunset July 1, 2009 and an implementation bureau will be created in the Water Resources Division. This budget request is for the reduction due to the sunset and removes 7.50 FTE and \$691,319 in FY 2010 and \$725,697 in FY 2011 in general fund from the RWRCC Program. If there is successful legislation during the 2009 session to extend the sunset of the compact commission, as has occurred 6 times in the 30 year life of the commission, this decision package is void. The executive budget contains contingent funding in the event such an extension occurs.

DEPT NAT RESOURCE/CONSERVATION-5706 FORESTRY/TRUST LANDS-35

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners.

The Trust Land Management Division provides for the administration and management of trust lands granted to the State of Montana by the Enabling Act of 1889. These lands currently total 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 6,000 miles (40,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs: forest management; agriculture and grazing management; special use management; and minerals management.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	293.37	0.00	11.82	305.19	0.00	11.82	305.19
Personal Services	15,415,265	1,415,277	394,899	17,225,441	1,476,414	395,201	17,286,880
Operating Expenses	6,768,623	1,293,006	250,035	8,311,664	1,442,372	165,437	8,376,432
Equipment & Intangible Assets	1,014,138	34,310	23,000	1,071,448	33,969	23,000	1,071,107
Capital Outlay	66,788	0	0	66,788	0	0	66,788
Grants	184,491	0	0	184,491	0	0	184,491
Transfers	959,895	258,495	0	1,218,390	268,549	0	1,228,444
Debt Service	8,323	0	0	8,323	0	0	8,323
Total Costs	\$24,417,523	\$3,001,088	\$667,934	\$28,086,545	\$3,221,304	\$583,638	\$28,222,465
General Fund	8,864,201	1,056,372	514,802	10,435,375	1,131,508	514,187	10,509,896
State/Other Special	14,304,681	1,876,065	153,132	16,333,878	2,018,815	69,451	16,392,947
Federal Special	1,248,641	68,651	0	1,317,292	70,981	0	1,319,622
Total Funds	\$24,417,523	\$3,001,088	\$667,934	\$28,086,545	\$3,221,304	\$583,638	\$28,222,465

**DEPT NAT RESOURCE/CONSERVATION-5706
FORESTRY/TRUST LANDS-35**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$367,970	\$224,759
FY 2011	\$412,031	\$249,520

PL- 3501 - Forestry Operating Adjustment -

This budget request is for an operating adjustment using general, state special, and federal special funds totaling \$367,970 in FY 2010 and \$412,031 in FY2011. This request is due to increases including rental expense, fire protection contracted services, fire training and equipment maintenance needs, aircraft insurance, and inflation for equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$24,482	\$0
FY 2011	\$27,401	\$0

PL- 3521 - Trust Land Management Operating Adjustment -

This budget request is for a restoration of weed control activities authorized by the 2007 Legislature in HB 37 and for an increase in operations budget for increased rent costs in Helena, Bozeman, Conrad, Dillon, Lewistown, Glasgow, Havre, Miles City, and the Billings offices. This state special revenue request totals \$24,482 in FY 2010 and \$27,401 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 3523 - Forest Improvement Projects and Monitoring -

This budget request is for an increase in funding for Forest Improvement (FI) activities such as planting, thinning, slash control, fire recovery, and other FI activities due to increased wildfire activity, contractor costs, and higher harvest levels associated with the 2004 sustained yield. Increased funding is necessary to promptly address wildfire restoration and reforestation needs. This state special revenue request is for \$200,000 in both FY 2010 and FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$420,000	\$0
FY 2011	\$490,000	\$0

PL- 3552 - Restore Trust Land Mngmt Contract Harvesting Base -

The executive recommends a base adjustment for the Contract Harvest Program. The program was approved by the 2007 Legislature under Senate Bill 25 and began in FY 2009 at \$280,000. Total state special revenue authority of \$420,000 is needed for FY 2010 and \$490,000 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$122,000	\$0
FY 2011	\$122,000	\$0

PL- 3553 - Land Banking Base Restoration Private Funds - BIEN -

This budget request is for restoration of biennial spending authority of \$244,000 in state special revenue in the Land Banking Program. Prospective purchasers deposit sale related expenses that necessitates spending authority to spend private funds for the contracted services.

**DEPT NAT RESOURCE/CONSERVATION-5706
FORESTRY/TRUST LANDS-35**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$0
FY 2011	\$150,000	\$0

PL- 3554 - Land Exchange Base Restoration Private Funds -

The executive recommends restoration of spending authority for private funds of \$150,000 each year in the land exchange program. The executive also requests converting \$50,000 each year from private fund authority to the Trust Administration Account to cover the costs of department initiated land exchange expenses.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$242,143	\$242,143
FY 2011	\$242,210	\$242,210

NP- 3503 - Engine Crew Extension -

The executive recommends an increase of DNRC seasonal engine crew staffing from five to seven days per week coverage for the core portion of the fire season. This addition is projected to provide for increased initial attack success, reduced overtime costs, and result in the probable prevention of two large (1000+ acre) fires per year. The cost of this proposal is an increase of 7.00 FTE and \$242,143 in FY 2010 and \$242,210 in FY 2011 using general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$265,756	\$265,756
FY 2011	\$265,991	\$265,991

NP- 3504 - Aviation Crew Coverage Extension -

The executive recommends an increase in seasonal pilots, helicopter managers, crew members, and fuel truck drivers to enable full utilization of the DNRC helicopter fleet during fire season. This proposal will allow seven day per week coverage for quick response every day during the fire season. The cost of this proposal is an increase of 6.79 FTE and \$265,756 in FY 2010 and \$265,991 in FY 2011 in general fund. This proposal also requires additional funding from the air operations proprietary fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$65,000	\$0
FY 2011	\$65,000	\$0

NP- 3522 - Trust Land Management Database Upgrade - OTO -

This biennial one-time-only request is for \$65,000 of state special revenue in both FY 2010 and FY 2011 to cover programming costs to upgrade the Trust Land Management System (TLMS) to interface with SQL-server version upgrades due to incompatibility issues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$83,000	\$0
FY 2011	\$0	\$0

NP- 3524 - Forest Management Software Integration - OTO -

This one-time-only state special revenue request is to increase funding for FY 2010 by \$83,000 for contracted services to develop a user-friendly interface into the Trust Land Management System (TLMS). This interface will improve user access and integrate forest management software into TLMS.

**DEPT NAT RESOURCE/CONSERVATION-5706
FORESTRY/TRUST LANDS-35**

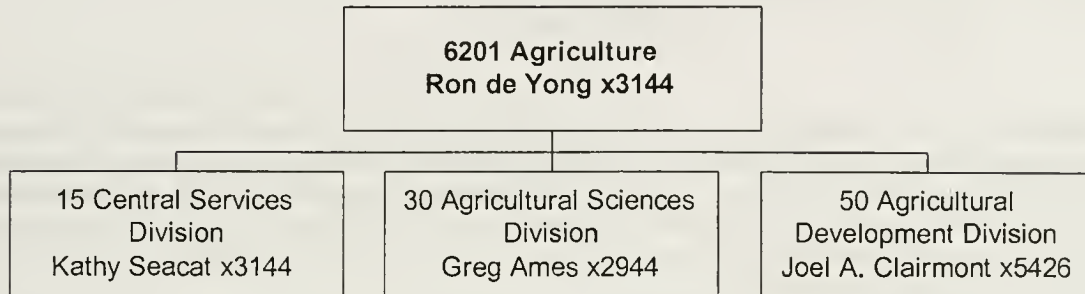
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,035	\$6,903
FY 2011	\$10,437	\$5,986

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management Program at the Department of Administration was funded by the 2007 Legislature with a one-time-only (OTO) general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This decision package is for \$23,406 of general, state special revenue, and air operations proprietary funds across the biennium. The impact to the proprietary fund is negligible.

DEPARTMENT OF AGRICULTURE-6201

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To protect producers and consumers and to enhance and develop agriculture and allied industries.

Statutory Authority - Article XII, Section 1, Montana Constitution; Title 80, Chapters 1-20, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	115.54	0.00	5.00	120.54	0.00	5.00	120.54
Personal Services	5,137,987	1,230,182	250,412	6,618,581	1,246,264	247,697	6,631,948
Operating Expenses	2,883,500	863,171	745,268	4,491,939	830,322	517,537	4,231,359
Equipment & Intangible Assets	207,276	430,000	150,000	787,276	60,000	150,000	417,276
Grants	4,482,273	416,250	1,267,962	6,166,485	420,000	1,267,962	6,170,235
Debt Service	2,281	0	0	2,281	0	0	2,281
Total Costs	\$12,713,317	\$2,939,603	\$2,413,642	\$18,066,562	\$2,556,586	\$2,183,196	\$17,453,099
General Fund	781,165	128,606	680,618	1,590,389	89,559	680,484	1,551,208
State/Other Special	9,343,877	2,382,129	1,722,496	13,448,502	2,034,751	1,502,247	12,880,875
Federal Special	2,195,170	199,229	10,283	2,404,682	201,193	250	2,396,613
Proprietary	393,105	229,639	245	622,989	231,083	215	624,403
Total Funds	\$12,713,317	\$2,939,603	\$2,413,642	\$18,066,562	\$2,556,586	\$2,183,196	\$17,453,099

DEPARTMENT OF AGRICULTURE-6201 CENTRALIZED SERVICES DIVISION-15

**15 Central Services
Division**
 Kathy Seacat x3144

Program Description - The Central Services Division (CSD) performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, human resources, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, public information, and legal support to all programs within the department. Included in this division is the Director's Office, which provides overall policy development for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	14.00	0.00	1.00	15.00	0.00	1.00	15.00
Personal Services	818,469	125,767	49,974	994,210	129,092	49,991	997,552
Operating Expenses	175,621	70,775	238,584	484,980	28,404	8,081	212,106
Total Costs	\$994,090	\$196,542	\$288,558	\$1,479,190	\$157,496	\$58,072	\$1,209,658
General Fund	94,194	29,231	55,618	179,043	(10,531)	55,484	139,147
State/Other Special	715,768	56,636	222,412	994,816	57,292	2,123	775,183
Federal Special	96,144	52,812	10,283	159,239	52,844	250	149,238
Proprietary	87,984	57,863	245	146,092	57,891	215	146,090
Total Funds	\$994,090	\$196,542	\$288,558	\$1,479,190	\$157,496	\$58,072	\$1,209,658

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$0
FY 2011	\$10,000	\$0

PL- 1501 - Program 15 Base Budget Adjustments -

This budget request of \$20,000 federal special revenue funding for the 2011 biennium will restore travel and training to base amounts due to vacancies in the Central Services Division.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$54,774	\$54,774
FY 2011	\$54,791	\$54,791

NP- 1503 - Network Administrator -

The executive recommends \$54,774 in FY2010 and \$54,791 in FY2011 general fund for 1.00 FTE and operating expenses for a network administrator position that was OTO in the 2009 biennium. The incumbent will continue to ensure that the department, producers, and consumers have access to information in the global agricultural market.

**DEPARTMENT OF AGRICULTURE-6201
CENTRALIZED SERVICES DIVISION-15**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,000	\$0
FY 2011	\$0	\$0

NP- 1504 - Grant Application Management System - Bien - OTO -

The budget includes \$60,000 biennial one-time-only state special revenue funding for off the shelf grant application management software which utilizes information technology to appropriately assist the business processes of the Noxious Weed and Growth Through Agriculture programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$0	\$0

NP- 1505 - Content Management System for AGR.MT.GOV -Bien-OTO -

The budget includes \$50,000 biennial one-time-only state special revenue and federal special revenue funding to implement a content management system for updating information on the department's web site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$120,000	\$0
FY 2011	\$0	\$0

NP- 1506 - Web Based AG Product Registration System-Bien- OTO -

This request is for \$120,000 biennial one-time-only state special revenue funding for upgrading an existing licensing and registration system to allow web based product and apiary registrations.

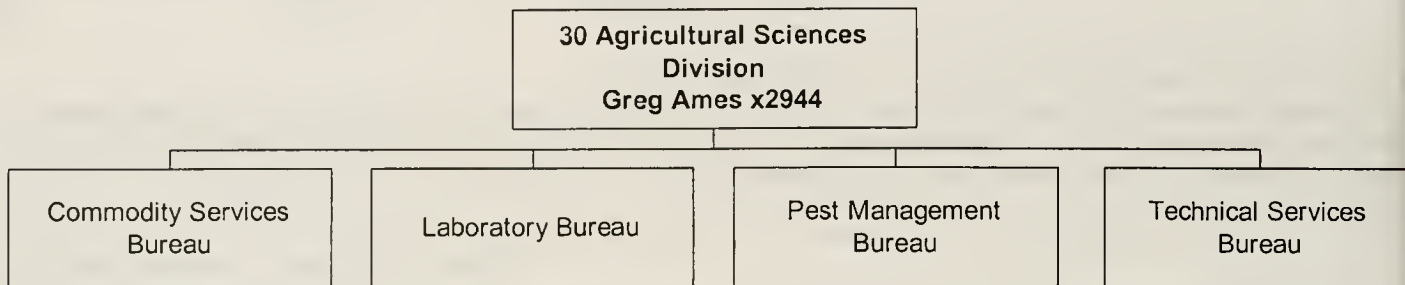
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,784	\$844
FY 2011	\$3,281	\$693

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$3,784 in FY 2010 and \$3,281 in FY 2011 state special revenue and general fund for the Department of Agriculture's allocation of the fixed cost.

DEPARTMENT OF AGRICULTURE-6201 AGRICULTURAL SCIENCES DIVISION-30

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) noxious weed management; 4) agricultural chemical groundwater program; 5) seed, feed and fertilizer program; 6) organic certification; 7) nursery program; 8) apiary program; and 9) commodity programs. Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The program provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, Montana Organic Commodity Advisory Council, Montana Mint Committee, and the Cooperative Agricultural Pest Survey Advisory Council.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	63.17	0.00	3.00	66.17	0.00	3.00	66.17
Personal Services	3,079,773	584,249	145,895	3,809,917	594,050	143,147	3,816,970
Operating Expenses	1,286,857	287,163	226,684	1,800,704	289,931	229,456	1,806,244
Equipment & Intangible Assets	207,276	380,000	130,000	717,276	10,000	130,000	347,276
Grants	3,219,520	0	417,962	3,637,482	0	417,962	3,637,482
Debt Service	2,281	0	0	2,281	0	0	2,281
Total Costs	\$7,795,707	\$1,251,412	\$920,541	\$9,967,660	\$893,981	\$920,565	\$9,610,253
General Fund	297,219	18,422	500,000	815,641	18,909	500,000	816,128
State/Other Special	5,414,738	1,111,557	420,541	6,946,836	751,706	420,565	6,587,009
Federal Special	2,083,750	121,433	0	2,205,183	123,366	0	2,207,116
Total Funds	\$7,795,707	\$1,251,412	\$920,541	\$9,967,660	\$893,981	\$920,565	\$9,610,253

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$251,100	\$3,000
FY 2011	\$231,100	\$3,000

PL- 3001 - Program 30 Base Budget Adjustments -

The budget includes \$251,100 FY2010 and \$231,100 FY2011 general, state special revenue, and proprietary funds for base budget adjustments within the Agricultural Sciences Division. This base adjustment will reestablish per diem and cover increases in rent, travel, printing services, field inspection supplies, and replacement vehicles.

**DEPARTMENT OF AGRICULTURE-6201
AGRICULTURAL SCIENCES DIVISION-30**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$350,000	\$0
FY 2011	\$0	\$0

PL- 3002 - Analytical Lab Equipment - Bien - OTO -

This request is for \$350,000 one-time-only biennial state special revenue funding to purchase a replacement Micromass Quattro Ultima LC/MS/MS instrument used for testing metabolite residues in pesticide and groundwater samples for the Analytical Laboratory in Bozeman. Since FY 2001 the lab has made a major effort to migrate as many pesticide analyses as possible to LC/MS/MS techniques resulting in more robust, defensible results. This piece of equipment has expanded our ability to report new information on metabolite residues and has resulted in lower pesticide reporting limits providing more helpful information to program regulators for decision making.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$420,541	\$0
FY 2011	\$420,565	\$0

NP- 3003 - Continue Noxious Weed Trust Fund Grants Increase -

This 2011 biennium request for \$841,106 is to continue state special authority for Noxious Weed Trust Fund Grants at levels established during the 2007 Montana Legislature that was flagged as OTO. This includes funding for 1.00 FTE to assist in managing and monitoring grant projects and the increase in program costs attributed to the increase of the noxious weed trust fund by \$5 million.

-----Other Legislation Required to Implement HB2-----

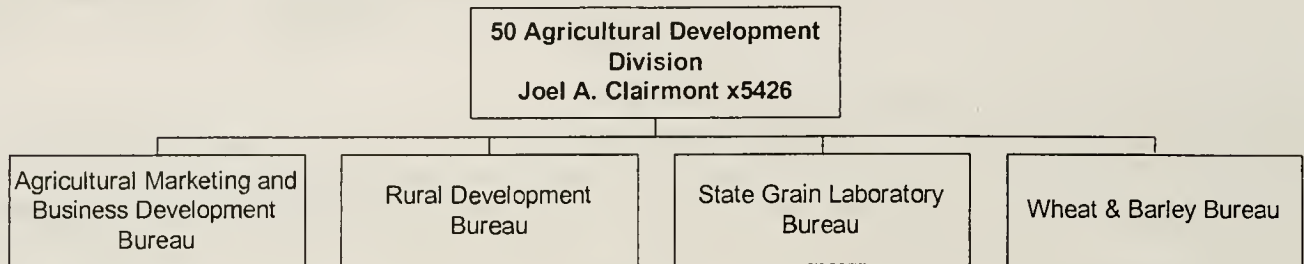
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$500,000	\$500,000
FY 2011	\$500,000	\$500,000

NP- 3005 - Invasive Species Advisory Council Bien/OTO -

Knapweed and leafy spurge invasions of past years have inflicted untold costs on Montana, and the state faces new threats of harmful aquatic nuisance species from other regions. Eurasian water milfoil was recently discovered in Noxon Reservoir. Zebra and quagga mussels multiply geometrically, clog industrial, irrigation, and intake pipes, and have now moved west of the Mississippi. The Governors Weed/Invasive Species Initiative will develop a comprehensive Invasive Species Act to prevent introductions and avoid further economic and environmental harm. This request includes 2.00 FTE and \$500,000 general fund each year of the biennium to fund the Invasive Species Advisory Council and its efforts to stop the introduction and spread of invasive species in Montana. Funding is recommended as one-time-only and is contingent on passage and approval of LC 424.

DEPARTMENT OF AGRICULTURE-6201 AGRICULTURAL DEVELOPMENT DIVISION-50

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Agricultural Development Division (ADD) administers programs to promote Montana agriculture. The division is comprised of the following bureaus: Rural Development, Wheat and Barley, Agriculture Marketing & Business Development, and the State Grain Laboratory. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of cherry, potatoes, and pulse crops.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	38.37	0.00	1.00	39.37	0.00	1.00	39.37
Personal Services	1,239,745	520,166	54,543	1,814,454	523,122	54,559	1,817,426
Operating Expenses	1,421,022	505,233	280,000	2,206,255	511,987	280,000	2,213,009
Equipment & Intangible Assets	0	50,000	20,000	70,000	50,000	20,000	70,000
Grants	1,262,753	416,250	850,000	2,529,003	420,000	850,000	2,532,753
Total Costs	\$3,923,520	\$1,491,649	\$1,204,543	\$6,619,712	\$1,505,109	\$1,204,559	\$6,633,188
General Fund	389,752	80,953	125,000	595,705	81,181	125,000	595,933
State/Other Special	3,213,371	1,213,936	1,079,543	5,506,850	1,225,753	1,079,559	5,518,683
Federal Special	15,276	24,984	0	40,260	24,983	0	40,259
Proprietary	305,121	171,776	0	476,897	173,192	0	478,313
Total Funds	\$3,923,520	\$1,491,649	\$1,204,543	\$6,619,712	\$1,505,109	\$1,204,559	\$6,633,188

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$684,100	\$24,000
FY 2011	\$692,600	\$24,000

PL- 5001 - Program 50 Base Budget Adjustments -

This 2011 biennium request for \$1,376,700 restores base budgets in the general, state special, federal special and enterprise funds for programs within the Agricultural Development Division. This proposal restores base budget authority for per diem, overtime, contracts, equipment, contracted temporary services, and grants.

**DEPARTMENT OF AGRICULTURE-6201
AGRICULTURAL DEVELOPMENT DIVISION-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$300,000	\$0
FY 2011	\$300,000	\$0

PL- 5006 - GTA Act Coal Severance Tax -OTO -

This one-time-only request is for \$300,000 each year for additional authority for loan appropriations from the coal severance tax shared state special revenue fund for the Montana Growth Through Agriculture program. Funding is based upon available revenue within the fund which is statutorily designated only for libraries, conservation districts, and Growth Through Agriculture. The Growth Through Agriculture program funds grants and operations of the Agriculture Development Council which is administratively attached to the Department of Agriculture.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$125,000
FY 2011	\$0	\$125,000

NP- 5009 - State Grain Lab Funding Switch -

This request is for \$125,000 each year of the biennium from the general fund to ensure the viability of the State Grain Lab into the future. A 2008 Legislative Performance Audit of the State Grain Lab determined that it has limited ability to control its primary revenue stream from samples inspected and that it is an important asset to Montana. The audit recommended that the department seek additional or alternative funding sources to maintain the grain lab's viability.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,204,543	\$0
FY 2011	\$1,204,559	\$0

NP- 5010 - Increase Wheat and Barley Authority -

This request is for an increase in state special revenue funding of \$1,204,543 in FY 2010 and \$1,204,559 in FY 2011 to support wheat and barley production in Montana. The Wheat and Barley Committee is administratively attached to the department per 2-15-3002, MCA. Support is provided through international marketing activities such as sponsoring and receiving trade delegations, by funding research on wheat and barley pests and diseases and improved production practices, and by paying dues to national organizations. The department is requesting that a modified 1.00 FTE, business development specialist currently coordinating marketing activities become permanent. This request includes one vehicle replacement per year and increased operating expenses for travel, contracts and training, as well as increased grant authority.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION D: JUDICIAL BRANCH, LAW ENFORCEMENT, AND JUSTICE

Judicial Branch
Crime Control Division
Department of Justice

Public Service Regulation
Office of Public Defender
Department of Corrections

OBPP Staff:

Brent Doig

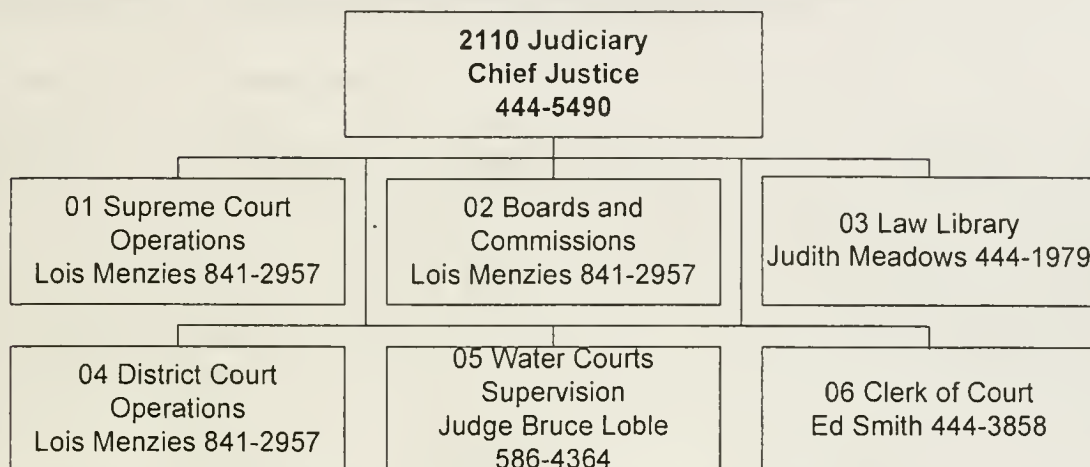
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

JUDICIAL BRANCH-2110 SUPREME COURT OPERATIONS-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Judiciary's mission is to provide an independent, accessible, responsive, impartial and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

Statutory Authority - Article III, Section 1, and Article VII, Montana Constitution; Title 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	397.08	0.00	6.50	403.58	0.00	6.50	403.58
Personal Services	25,851,024	2,485,350	324,122	28,660,496	2,452,777	324,214	28,628,015
Operating Expenses	7,811,135	702,040	256,250	8,769,425	674,843	238,099	8,724,077
Equipment & Intangible Assets	104,887	8,644	0	113,531	13,776	0	118,663
Grants	274,469	0	0	274,469	0	0	274,469
Debt Service	26,604	0	0	26,604	0	0	26,604
Total Costs	\$34,068,119	\$3,196,034	\$580,372	\$37,844,525	\$3,141,396	\$562,313	\$37,771,828
General Fund	32,171,909	2,760,691	580,372	35,512,972	2,672,706	562,313	35,406,928
State/Other Special	1,773,813	431,869	0	2,205,682	465,203	0	2,239,016
Federal Special	122,397	3,474	0	125,871	3,487	0	125,884
Total Funds	\$34,068,119	\$3,196,034	\$580,372	\$37,844,525	\$3,141,396	\$562,313	\$37,771,828

In accordance with 17-7-122, MCA, the Judicial Branch proposals must be included in the budget submittal by the Governor, but expenditures above the current base budget need not be a part of the balanced financial plan pursuant to 17-7-123, MCA. This comparison is provided in Table D-1.

JUDICIAL BRANCH-2110 SUPREME COURT OPERATIONS-01

Table A-1
Judicial Branch Budget Request Compared to Executive Recommended Budget

BIENNIAL AMOUNTS FY 2010 & FY 2011				
	Branch	OBPP	OBPP Over/(Under)	
<u>Branch Wide</u>	<u>Submission</u>	<u>Recommended</u>	<u>Submission</u>	
FTE	433.58	403.58	(30.00)	
Personal Services	60,766,702	57,288,511	(3,478,191)	
Operating Costs	19,657,141	17,493,502	(2,163,639)	
Equipment	292,194	232,194	(60,000)	
Grants	-	548,938	548,938	
Debt Service	<u>53,208</u>	<u>53,208</u>	<u>-</u>	
TOTAL	<u>\$ 80,769,245</u>	<u>\$ 75,616,353</u>	<u>\$ (5,152,892)</u>	
<u>Funding</u>				
General Fund	75,972,792	70,919,900	(5,052,892)	
State/Other Special	4,544,698	4,444,698	(100,000)	
Federal	<u>251,755</u>	<u>251,755</u>	<u>-</u>	
TOTAL	<u>\$ 80,769,245</u>	<u>\$ 75,616,353</u>	<u>\$ (5,152,892)</u>	
ITEMS NOT RECOMMENDED		AMOUNTS NOT RECOMMENDED TO BE FUNDED		
	FTE	FY 2010	FY 2011	TOTAL REDUCTION
Montana Drug Court Funding	5.00	536,157	627,969	1,164,126
Civil Writ and Motion Law Clerk	1.00	60,906	58,445	119,351
Self Help Law/Statewide Pro Bono Coordinator	2.00	75,000	75,000	150,000
Office of Court Administrator Staff Attorney	1.00	59,406	56,945	116,351
New Judge's Staff	21.00	1,660,802	1,942,262	3,603,064
TOTAL	30.00	\$ 2,392,271	\$ 2,760,621	\$ 5,152,892

JUDICIAL BRANCH-2110 SUPREME COURT OPERATIONS-01

01 Supreme Court Operations
Lois Menzies 841-2957

Program Description - The Supreme Court has appellate jurisdiction for the State of Montana. The court has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, admission to the bar, and the conduct of its members. Within the Supreme Court Operations program, the Office of Court Administrator provides services to the Judicial Branch including information technology, budget and finance, payroll and human resource management, policy and technical support for the Youth Courts, judicial education, and services provided through the federal Court Assessment Program related to child abuse and neglect cases.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	63.75	0.00	2.50	66.25	0.00	2.50	66.25
Personal Services	4,383,242	426,528	156,239	4,966,009	435,962	156,282	4,975,486
Operating Expenses	3,614,446	487,336	234,030	4,335,812	438,878	226,279	4,279,603
Equipment & Intangible Assets	5,199	0	0	5,199	0	0	5,199
Grants	274,469	0	0	274,469	0	0	274,469
Total Costs	\$8,277,356	\$913,864	\$390,269	\$9,581,489	\$874,840	\$382,561	\$9,534,757
General Fund	8,044,917	872,196	390,269	9,307,382	833,159	382,561	9,260,637
State/Other Special	110,042	38,194	0	148,236	38,194	0	148,236
Federal Special	122,397	3,474	0	125,871	3,487	0	125,884
Total Funds	\$8,277,356	\$913,864	\$390,269	\$9,581,489	\$874,840	\$382,561	\$9,534,757

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,194	\$0
FY 2011	\$38,194	\$0

PL- 1005 - Indigent Victims of Domestic Violence -

This proposal requests an increase of \$38,194 each year in state special revenue fund spending authority for funds that are distributed from the Civil Legal Assistance for Indigent Victims of Domestic Violence Account established in 3-2-714, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,631	\$4,631
FY 2011	\$7,022	\$7,022

PL- 1008 - Rent Park Avenue Building -

This request is for an additional general fund appropriation of \$4,631 in FY 2010 and \$7,022 in FY 2011 to cover the increase in lease payments for space rented at the Park Avenue Building in Helena. The increase is required per the

JUDICIAL BRANCH-2110 SUPREME COURT OPERATIONS-01

lease agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$21,504	\$21,504
FY 2011	\$21,504	\$21,504

PL- 1010 - ITSD Fixed Cost PL Adjustment -

The executive is requesting \$21,504 general fund each year of the biennium for the Supreme Court's operations to fund the agency's portion of ITSD fixed cost allocation that falls outside the adjusted base.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$123,782	\$123,782
FY 2011	\$117,934	\$117,934

NP- 1001 - Appellate Mediator -

This proposal requests \$241,716 of general fund money for the biennium for an appellate mediator and part-time support staff. Montana is one of nine states that does not have an intermediate appellate court. Therefore, the Supreme Court must dispose of all appeals as well as original proceedings, which results in a very heavy and complex workload. To lessen the workload, the Court adopted a mandatory mediation procedure for certain types of cases. In 2007, 20.74% of the appeals subject to mandatory mediation were settled. Data from mediation programs in other states indicate that employment of a full-time mediator could significantly improve the mediation settlement rate.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$252,500	\$252,500
FY 2011	\$252,500	\$252,500

NP- 1006 - Self-Help Law/Statewide. Pro Bono Coordinator. – Rest/Bien -

This executive request is to provide a restricted, biennial appropriation of \$505,000 general fund to support a self-help law program that would provide information and assistance to individuals involved in civil litigation that are representing themselves. This includes funding for 1.00 FTE program administrator. This is a continuation of the program as authorized as an OTO by the 2007 legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,987	\$13,987
FY 2011	\$12,127	\$12,127

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$13,987 in FY 2010 and \$12,127 in FY 2011 general fund for the Supreme Court's allocation of the fixed cost.

JUDICIAL BRANCH-2110 BOARDS AND COMMISSIONS-02

02 Boards and Commissions
Lois Menzies 841-2957

Program Description - The Boards and Commissions Program provides staff and other support to constitutionally and statutorily required commissions attached to the Montana Supreme Court, specifically the Judicial Standards Commission, the Sentence Review Board, and the Commission on Courts of Limited Jurisdiction. The Program also supports activities of the Commission on Practice. Other specialized commissions and task forces - not required by the Constitution and statute but created by the Supreme Court to address specific issues - receive minimal financial assistance with travel expenses and supplies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00
Personal Services	171,168	18,201	0	189,369	19,147	0	190,315
Operating Expenses	112,125	69,405	0	181,530	46,747	0	158,872
Total Costs	\$283,293	\$87,606	\$0	\$370,899	\$65,894	\$0	\$349,187
General Fund	258,287	41,374	0	299,661	19,651	0	277,938
State/Other Special	25,006	46,232	0	71,238	46,243	0	71,249
Total Funds	\$283,293	\$87,606	\$0	\$370,899	\$65,894	\$0	\$349,187

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$22,762	\$22,762
FY 2011	\$0	\$0

PL- 2001 - Judicial Standards Restricted/Biennial -

This proposal requests \$22,762 in general fund money for the constitutionally mandated Judicial Standards Commission. The Judicial Branch received a \$25,000 restricted, biennial, general fund appropriation to be used to pay for the investigation of complaints against judges for the 2007 and 2009 biennia. This request is to restore the appropriation to \$25,000 for the 2011 biennium. If approved, this funding will be used only for the investigation of complaints against judges. If the costs are not incurred, the funds will revert to the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$45,994	\$0
FY 2011	\$45,994	\$0

PL- 2002 - State Spec Spending Authority for Judges Training -

This proposal requests a biennial increase of \$91,988 in state special revenue fund spending authority for fees collected to support training for judges in the courts of limited jurisdiction. The Supreme Court is statutorily required to provide training twice a year to the judges in the courts of limited jurisdiction. The Supreme Court also provides training once a year to clerks in the courts of limited jurisdiction. The Supreme Court is required to collect registration fees from cities and counties to cover the costs of the training sessions. This increase reflects the cost of providing the training and the collection rates under the current registration fee. Registration fees, set by the Commission on Courts of Limited Jurisdiction, pay for the cost of speakers, meetings rooms, meals, printing, and other associated costs. The fees also are used to purchase reference materials, including evidence manuals and other books, for judges and clerks in the limited jurisdiction courts. Without an increase in spending authority, the Supreme Court will be unable to adequately meet the statutory requirement to provide training to the courts of limited jurisdiction.

JUDICIAL BRANCH-2110 LAW LIBRARY-03

Please note that this program also contains proprietary funding (see Section P).

03 Law Library
Judith Meadows 444-1979

Program Description - The State Law Library of Montana (MCA 22-1-501 et seq) provides access to legal information consistent with the present and anticipated needs, responsibilities, and concerns of Montana's courts, legislature, state officers and employees, members of the bar of the Supreme Court of Montana, and members of the general public. The library selects, acquires, and maintains resources consistent with this mission. More electronic licenses are acquired each year, which frequently replace the hard copies. This allows the library to get the information more quickly to the customer and to conserve its available shelf space for books and other printed material. The library staff provides extensive training in legal research methods and Montana law. The library's web site (www.lawlibrary.mt.us) has been designed to help Montana's citizens find the appropriate statutes, court cases, legal forms, and explanation of the laws they need. The library's space, equipment, and technology are maintained in a manner that will ensure operational efficiency, improve collection preservation, and respond to requirements for accessibility of users and staff.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.75	0.00	0.00	6.75	0.00	0.00	6.75
Personal Services	350,139	42,472	0	392,611	43,744	0	393,883
Operating Expenses	427,284	2,167	0	429,451	3,427	0	430,711
Equipment & Intangible Assets	55,550	8,644	0	64,194	13,776	0	69,326
Debt Service	22,854	0	0	22,854	0	0	22,854
Total Costs	\$855,827	\$53,283	\$0	\$909,110	\$60,947	\$0	\$916,774
General Fund	855,827	53,283	0	909,110	60,947	0	916,774
Total Funds	\$855,827	\$53,283	\$0	\$909,110	\$60,947	\$0	\$916,774

JUDICIAL BRANCH-2110 DISTRICT COURT OPERATIONS-04

04 District Court Operations
Lois Menzies 841-2957

Program Description - The District Courts have original jurisdiction in all felony criminal cases, most civil matters and other cases in law, and in equity. These courts may issue all writs appropriate to their jurisdiction and hear appeals from Courts of Limited Jurisdiction pursuant to statutory parameters. The District Courts are also the state's Youth Courts, responsible for managing juvenile probation functions. There are 43 District Court judges in 22 judicial districts serving all 56 counties. The 2001 Legislature mandated state funding of District Court expenses, including salaries and operating expenses for judges and their employees. District Court costs are the largest segment of the Judicial Branch budget.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
Budget Item							
FTE	300.08	0.00	4.00	304.08	0.00	4.00	304.08
Personal Services	19,430,613	1,749,744	167,883	21,348,240	1,700,178	167,932	21,298,723
Operating Expenses	3,377,771	118,298	22,220	3,518,289	157,307	11,820	3,546,898
Equipment & Intangible Assets	30,577	0	0	30,577	0	0	30,577
Debt Service	3,750	0	0	3,750	0	0	3,750
Total Costs	\$22,842,711	\$1,868,042	\$190,103	\$24,900,856	\$1,857,485	\$179,752	\$24,879,948
General Fund	22,590,955	1,737,503	190,103	24,518,561	1,702,426	179,752	24,473,133
State/Other Special	251,756	130,539	0	382,295	155,059	0	406,815
Total Funds	\$22,842,711	\$1,868,042	\$190,103	\$24,900,856	\$1,857,485	\$179,752	\$24,879,948

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,600	\$0
FY 2011	\$100,000	\$0

PL- 4003 - Youth Probation Fees Spending Authority Increase -

This proposal requests a biennial increase of \$175,600 in state special revenue spending authority for fees collected from youth on probation in the 22 District Court Youth Courts. Cost recovery is a key aspect of holding youth accountable and is required by the Montana Youth Court Act. The fees are used to pay for a variety of services, including drug testing, restitution collection, community service supervision, workers' compensation coverage for community service, other programming for youth (shoplifting classes, MIP classes, etc.), and staff training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$53,903	\$0
FY 2011	\$53,903	\$0

PL- 4004 - State Special Authority for Accrued Leave Payouts -

This proposal requests \$107,806 state special revenue spending authority for the biennium to fund projected leave payouts for employees who became state employees at the time of district court assumption. When a Judicial Branch employee (who was a county employee at the time of district court assumption) leaves state service, the Judicial Branch pays his or her accrued sick and annual leave from this state special revenue fund. The amount requested is an average of actual expenditures in FY 2006 and FY 2007 (\$122,903 and \$83,841) less what is in FY 2008 base (\$49,469).

JUDICIAL BRANCH-2110

DISTRICT COURT OPERATIONS-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$80,878	\$80,878
FY 2011	\$0	\$0

PL- 4005 - Call in Retired Judges (Restricted/Biennial) -

This proposal requests \$80,878 in state general fund money as a restricted/biennial appropriation to allow for the payment of salaries for retired District Court judges and Supreme Court justices who are called to active duty as provided for in Article 7, Section 6 of the Montana Constitution and 19-5-103, MCA. This funding would be used only if the Chief Justice has determined that it is necessary to call into duty a retired judge or justice to aid and assist a District Court because of the inability of a judge to conduct the court's business due to extended illness or other circumstances. The funding, would ensure that the business of the affected court would continue with minimal disruption to the public.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$190,103	\$190,103
FY 2011	\$179,752	\$179,752

NP- 4001 - Minimum Staffing for District Court Judges -

This proposal requests \$369,855 in general fund for the 2011 biennium for 4.00 FTE. Currently, 11 judicial districts in the state do not have the minimum level of staffing defined as one judicial assistant, one law clerk, and one court reporter per judge. Lack of support staff forces judges to do their own scheduling, research, and administrative tasks, which reduces the efficiency of the judicial process. The Judicial Branch has been slowly requesting these minimum staffing positions since the first legislative session (2003) following state assumption of the District Courts. This request reflects the greatest need and is focused on rural judicial districts.

JUDICIAL BRANCH-2110 WATER COURTS SUPERVISION-05

05 Water Courts Supervision
Judge Bruce Loble 586-4364

Program Description - The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana pursuant to Title 3, Chapter 7 and Title 85, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.00	0.00	0.00	18.00	0.00	0.00	18.00
Personal Services	1,148,317	192,486	0	1,340,803	197,702	0	1,346,019
Operating Expenses	225,131	24,418	0	249,549	28,005	0	253,136
Equipment & Intangible Assets	13,561	0	0	13,561	0	0	13,561
Total Costs	\$1,387,009	\$216,904	\$0	\$1,603,913	\$225,707	\$0	\$1,612,716
State/Other Special	1,387,009	216,904	0	1,603,913	225,707	0	1,612,716
Total Funds	\$1,387,009	\$216,904	\$0	\$1,603,913	\$225,707	\$0	\$1,612,716

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,543	\$0
FY 2011	\$6,917	\$0

PL- 5001 - Water Court Rent Increase -

This proposal requests an increase of \$4,543 in FY 2010 and \$6,917 in FY 2011 of state special revenue fund spending authority to cover a 3% annual increase in rent payments. The 3% increase is required every May per the lease agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,876	\$0
FY 2011	\$16,349	\$0

PL- 5002 - Water Court Office Expansion -

This proposal requests \$15,876 in FY 2010 and \$16,349 in FY 2011 in rent for an additional 958 square feet of space in the Bozeman building in which the Water Court is currently located. The 2005 Legislature significantly accelerated the pace of Montana statewide adjudication of water rights. As a result, the Water Court estimates issuing approximately 30 water right decrees in the next 10 years that will result in an estimated 40,000 claim files. The additional space is needed to store the files and to have immediate access to work on them.

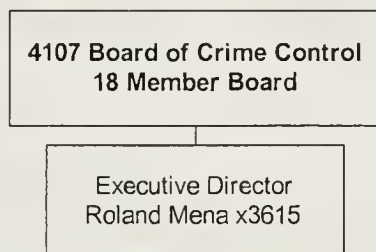
JUDICIAL BRANCH-2110 CLERK OF COURT-06

06 Clerk of Court
Ed Smith 444-3858

Program Description - The Office of Clerk of the Supreme Court Program, pursuant to Title 3, Chapter 2, part 4, conducts the business of the court, and serves as the liaison between the public, attorneys and the Supreme Court. By statutory authority, the clerk controls the docket and filings, manages the appellate process, and is the custodian of all legal records for the public and the court. Additionally, the clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana's attorneys.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	367,545	55,919	0	423,464	56,044	0	423,589
Operating Expenses	54,378	416	0	54,794	479	0	54,857
Total Costs	\$421,923	\$56,335	\$0	\$478,258	\$56,523	\$0	\$478,446
General Fund	421,923	56,335	0	478,258	56,523	0	478,446
Total Funds	\$421,923	\$56,335	\$0	\$478,258	\$56,523	\$0	\$478,446

CRIME CONTROL DIVISION-4107 JUSTICE SYSTEM SUPPORT SERVICE-01



Mission Statement - To pro-actively contribute to public safety, crime prevention, and victim assistance with planning, policy development, and coordination of the justice systems in partnership with citizens, government, and communities.

Statutory Authority - 2-15-2006 and 44-4-301, MCA, create and define the board; 41-5-1901, MCA, youth detention services grants; Title 53, Chapter 9, part 1, MCA, Victims Compensation Act; 42 USC 4760 Anti-Drug Abuse Act; 42 USC 10603 Victims of Crime Act; 42 USC 3796 Stop Violence Against Women Act; 42 USC 3701 National Criminal History Improvement Program; 42 USC 5601 Juvenile Justice and Delinquency Prevention Act; and USC 13701 Violent Crime Control and Law Enforcement Act.

Program Description - The Montana Board of Crime Control (MBCC) is the state's designated agency for criminal and juvenile justice, victim assistance, resource development, and public safety policy, planning and program development. The MBCC is administratively attached to the Department of Justice, with an 18-member quasi-judicial board appointed by the Governor. The MBCC provides financial support, technical assistance, and supportive services to state and local criminal justice agencies. The board provides funding to local, regional, and statewide projects with the central goal of making Montana a safer state.

MBCC is the state administering agency for the US Department of Justice programs and the Omnibus Crime Control and Safe Streets Act. The MBCC administers federal anti-drug and anti-crime grants, provides funding for juvenile justice programs, and provides assistance to victims of crime. It also collects and analyzes crime data from Montana law enforcement agencies and publishes the annual Crime in Montana Report. The division is established in 2-15-2006, MCA.

Language Recommendations - " All remaining pass-through grant appropriations, up to \$7,000,000 in federal funds, including reversions, for the 2009 biennium are authorized to continue and are appropriated in fiscal year 2010 and fiscal year 2011. Crime Control Division may request appropriations be reduced to reflect actual grant funds."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.50	0.50	0.00	20.00	0.50	0.00	20.00
Personal Services	1,058,895	208,628	0	1,267,523	211,321	0	1,270,216
Operating Expenses	755,049	156,563	128,600	1,040,212	158,400	521	913,970
Grants	6,504,797	306,992	0	6,811,789	306,992	0	6,811,789
Total Costs	\$8,318,741	\$672,183	\$128,600	\$9,119,524	\$676,713	\$521	\$8,995,975
General Fund	2,195,808	306,342	64,444	2,566,594	310,316	386	2,506,510
State/Other Special	67,087	97,907	0	164,994	97,906	0	164,993
Federal Special	6,055,846	267,934	64,156	6,387,936	268,491	135	6,324,472
Total Funds	\$8,318,741	\$672,183	\$128,600	\$9,119,524	\$676,713	\$521	\$8,995,975

CRIME CONTROL DIVISION-4107 JUSTICE SYSTEM SUPPORT SERVICE-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,700	\$4,958
FY 2011	\$6,700	\$4,958

PL- 101 - Board & Council Member Stipends -

The Montana Board of Crime Control (MBCC) must pay stipends to certain board and council members. These expenditures are zero based and must be requested in a decision package as they do not roll forward in the base budget. The amount being requested is \$4,958 in general fund each year of the biennium with the balance being paid from federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$18,117	\$0
FY 2011	\$18,121	\$0

PL- 102 - Administrative Support Position -

This request by the MBCC is for a 0.50 administrative support position. This request is based on an increased workload as a result of additional grants and projects assigned to the division by the board. The position is currently staffed with a 0.50 permanent FTE and a 0.50 temporary modified FTE. The division request to make the position 1.00 FTE permanently. The funding for this request is \$18,117 in FY 2010 and \$18,121 in FY 2011 and is 100% federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,000	\$15,000
FY 2011	\$15,000	\$15,000

PL- 103 - Detention Data Information System -

The MBCC is requesting \$15,000/yr general fund to facilitate the state's strategic response to jail overcrowding. With guidance from the Detention Dilemma Workgroup and guidance from the National Institute of Corrections (NIC), the Montana Board of Crime Control took on the task of developing a statewide detention repository capable of collecting data from Montana's local jails and detention centers. The statewide detention repository is a direct result of a recommendation made by the NIC.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

PL- 104 - Consolidate Agency Operating Costs -

This is a request from the MBCC to move base level operating expenditures from one program to the other. In doing this the ongoing budget will be allocated to the correct program. This transfer of \$54,914 in FY 2010 and \$54,925 in FY 2011 has a net zero effect to the budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,000	\$0
FY 2011	\$14,000	\$0

PL- 105 - Forensic Crime Lab Improvements -

Recently the MBCC has secured increases in the Paul Coverdell Forensic Sciences Improvement Act grant funds. These funds can only be used by crime labs and will be sub granted to the state Crime Lab in Missoula. This grant allows expenditures in a number of areas: staff training, equipment, and personal services.

CRIME CONTROL DIVISION-4107 JUSTICE SYSTEM SUPPORT SERVICE-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$0
FY 2011	\$10,000	\$0

PL- 106 - STOP Violence Against Women Grant -

The Montana Board of Crime Control (MBCC) administers the STOP Violence Against Women Act in Montana. Presently, MBCC funds approximately 25 programs throughout the State of Montana relating to this act. This request is to increase spending authority in accordance with slight increases in the federal grants. The funds, \$10,000/yr federal funding, will be used to pay for additional services around the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$191,000	\$0
FY 2011	\$191,000	\$0

PL- 107 - Criminal History Record Improvement Grant -

The MBCC administers the National Criminal History Record Improvement Grant. These funds are intended to improve the exchange of information between states and nationally. This request is to obtain additional spending authority to reflect increases in federal grant funds. It is anticipated that the available federal funding will increase by \$191,000 each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$96,697	\$0
FY 2011	\$96,677	\$0

PL- 108 - Domestic Violence Intervention Grant -

This MBCC request for \$96,697 in state special revenue authority each fiscal year restores base levels of funding to \$165,000 in spending authority each year. The MBCC administers the Misdemeanor Probation for Domestic Violence Program in Montana. The 2005 Legislature passed HB 476 increasing the marriage license fee to fund this program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,000	\$8,000
FY 2011	\$8,000	\$8,000

PL- 109 - Juvenile Detention Center Reporting -

The MBCC is requesting \$8,000 general fund each year of the biennium to fund software and database maintenance on a Juvenile Detention Reporting System (JDRS) combined with a Unified Case Management System. The board has combined efforts with the regional detention centers to establish the database system that will serve both state and local purposes. The JDR system that MBCC had been using became obsolete and would no longer operate on newer operating systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$121,630	\$85,141
FY 2011	\$123,624	\$86,537

PL- 110 - Office Rent Increase -

The Montana Board of Crime Control is requesting \$121,630 in FY 2010 and \$123,624 in FY 2011 of general fund and federal authority to fund an anticipated increase in rent costs in a new building proposed at South Pointe. This request is based on a square foot cost of \$23.13 with a 1% increase in the second year. The current office space that is leased has inadequate heating, cooling, and fresh air ventilation. There have also been significant problems with mold.

**CRIME CONTROL DIVISION-4107
JUSTICE SYSTEM SUPPORT SERVICE-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$128,000	\$64,000
FY 2011	\$0	\$0

NP- 111 - NIBRS Web Stats Enhancement (Bien/OTO) -

The Montana Board of Crime Control is requesting \$64,000 general fund authority and \$64,000 federal special authority for the biennium to enhance the interface to the crime database to make it more usable to government decision makers and the public. The National Incident Based Reporting System (NIBRS) program collects and disseminates Montana crime data. The current application is collecting data from local and state law enforcement agencies and successfully exporting it to the FBI. The MBCC will make the information more accessible to law enforcement contributors and other users of crime data through an enhanced web interface.

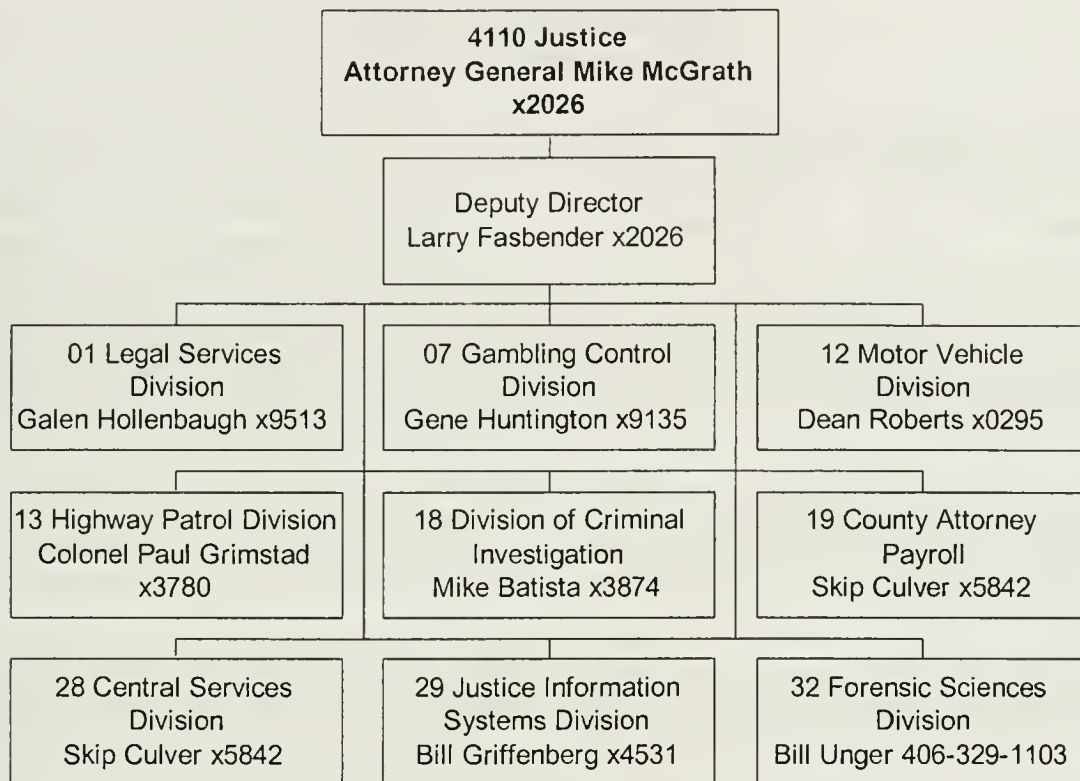
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$600	\$444
FY 2011	\$521	\$386

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. This request includes \$1,121 general and federal funds for the biennium for crime control's allocation of the fixed cost.

DEPARTMENT OF JUSTICE-4110

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The mission of the Department of Justice is to pursue activities and programs that seek to ensure and promote the public interest, safety, and well-being through leadership, advocacy, education, regulation, and enforcement.

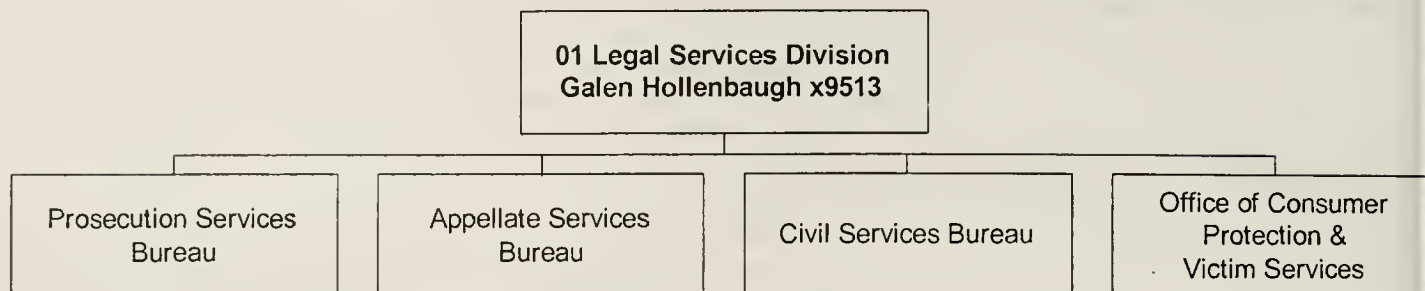
Statutory Authority - Statutory authority is provided in 2-15-501 MCA, 2-15-2001 through -2021 MCA, and Title 44 MCA.

Language - "The Department of Justice is re-appropriated the unspent balance of the appropriation that was established by the 2007 Legislature for activities and potential litigation related to the Yellowstone River Compact, up to \$2.9M general fund."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	690.27	4.00	0.00	694.27	4.00	0.00	694.27
Personal Services	37,299,436	4,737,645	0	42,037,081	4,883,110	0	42,182,546
Operating Expenses	20,506,827	2,106,556	538,791	23,152,174	1,791,777	35,627	22,334,231
Equipment & Intangible Assets	2,090,990	292,500	0	2,383,490	325,500	0	2,416,490
Benefits & Claims	860,152	85,479	990,000	1,935,631	85,479	990,000	1,935,631
Debt Service	830,342	1,046,873	0	1,877,215	931,425	0	1,761,767
Total Costs	\$61,587,747	\$8,269,053	\$1,528,791	\$71,385,591	\$8,017,291	\$1,025,627	\$70,630,665
General Fund	23,761,709	2,973,204	509,608	27,244,521	2,748,734	8,330	26,518,773
State/Other Special	35,011,954	4,558,814	1,018,415	40,589,183	4,526,024	1,016,630	40,554,608
Federal Special	1,335,049	413,677	331	1,749,057	417,398	287	1,752,734
Proprietary	1,479,035	323,358	437	1,802,830	325,135	380	1,804,550
Total Funds	\$61,587,747	\$8,269,053	\$1,528,791	\$71,385,591	\$8,017,291	\$1,025,627	\$70,630,665

DEPARTMENT OF JUSTICE-4110

LEGAL SERVICES DIVISION-01



Program Description - The Legal Services Division provides: 1) the Attorney General with legal research and analysis; 2) legal counsel for state government officials, bureaus, and boards; 3) legal assistance to local governments and Indian tribes; 4) legal assistance, training and support for county prosecutors; and 5) assistance to victims of crime, including compensation payments.

County Prosecutor Services provides special prosecution assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys or city attorneys have conflicts of interest. County Prosecutor Services also provides prosecutor services to the Eastern Coal Counties Drug Task Force and the Western Montana Special Investigation Section and coordinates training and continuing legal education for county attorneys, city attorneys, and law enforcement personnel.

The Appellate Services Bureau is responsible for representing the state in all criminal appeals and responds to all habeas corpus and post-conviction proceedings where federal and state courts order the state to defend the legality of convictions.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction, federal reserved water rights, election law, antitrust, conflicts of interest, and open meetings.

The Office of Victim Services (OVS) works to elevate the status of victims and their rights and responds to the needs of crime victims in Montana. It serves as a central reference point for victims of crime, administers the Crime Victim Compensation Program and the Forensic Rape Examination Payment Program, and offers information and referral services. OVS staffs the Domestic Violence Fatality Review Commission and provides training and information for those who work with victims, including law enforcement, victim advocates, probation and parole workers, and local community organizations.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	56.50	0.00	0.00	56.50	0.00	0.00	56.50
Personal Services	3,592,019	541,024	0	4,133,043	553,581	0	4,145,600
Operating Expenses	1,196,673	44,920	1,880	1,243,473	46,719	1,630	1,245,022
Benefits & Claims	860,152	85,479	0	945,631	85,479	0	945,631
Total Costs	\$5,648,844	\$671,423	\$1,880	\$6,322,147	\$685,779	\$1,630	\$6,336,253
General Fund	4,873,596	486,529	1,880	5,362,005	498,440	1,630	5,373,666
State/Other Special	356,508	38,332	0	394,840	40,337	0	396,845
Federal Special	418,740	146,562	0	565,302	147,002	0	565,742
Total Funds	\$5,648,844	\$671,423	\$1,880	\$6,322,147	\$685,779	\$1,630	\$6,336,253

**DEPARTMENT OF JUSTICE-4110
LEGAL SERVICES DIVISION-01**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,000	\$4,500
FY 2011	\$6,000	\$4,500

PL- 103 - Vehicle Lease for Child Protection Unit -

The Legal Services Division requests \$12,000 for the 2011 biennium (general fund - \$9,000; federal special revenue - \$3,000) in the Child Protection Unit to provide a leased vehicle for the attorney that works the eastern half of Montana. The 2007 Legislature approved the addition of two new child protection attorneys, to handle the ever-increasing case load in this area, along with one vehicle lease. Because of the extensive travel involved to cover this region, another vehicle is needed. The average cost for a leased vehicle in FY 2010 and 2011 will be \$6,000. Funding for the lease is split between general fund (75%) and federal funds (25%).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,500	\$2,500
FY 2011	\$2,500	\$2,500

PL- 105 - Forensic Rape Examination Payment Program (FREPP) -

The Legal Services Division is requesting \$5,000 in general fund appropriation for the 2011 biennium. The Forensic Rape Examination Payment Program (FREPP) helps rape victims pay for the necessary forensic medical exam. The program ensures that the forensic evidence necessary to prosecute rape cases is available, even if victims are not ready to report the crime to law enforcement when they first go to an emergency room.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$82,979	\$0
FY 2011	\$82,979	\$0

PL- 107 - Addition Federal Grant Money for Victims of Crime -

The Legal Services Division, Victim Services Bureau requests additional federal special revenue authority of \$165,958 for the 2011 biennium for the Violent Offenders Compensation program. This request provides spending authority for additional federal funds that will be received.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 110 - State Special Revenue Funding Switch -

A report presented to the Legislative Finance Committee by Legislative Fiscal Division staff recommended that funds be appropriated directly from the non-restricted highway revenue fund rather than being transferred to and spent from the restricted fund. In accordance with the LFD report, this request switches funding of \$89,858 in FY 2010 and \$90,756 in FY 2011 from the restricted to the non-restricted highway state special revenue fund.

**DEPARTMENT OF JUSTICE-4110
LEGAL SERVICES DIVISION-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,880	\$1,880
FY 2011	\$1,630	\$1,630

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,880 in FY 2010 and \$1,630 in FY 2011 general fund authority for the Legal Services Division's allocation of the fixed cost.

**DEPARTMENT OF JUSTICE-4110
OFFICE OF CONSUMER PROTECTION-02**

Program Description - The Office of Consumer Protection (OCP) responds to consumer complaints and enforces Montana's consumer protection laws and regulations relating to unfair and deceptive business practices, including: "bait and switch", false claims, changing a contract after a sale, abusive arbitration, and debt collection misconduct; door-to-door sales; telemarketing, including administering Montana's do-not-call list; car and truck sales and repair, including the New Vehicle Warranty Act (or Lemon Law) violations; and Antitrust issues, including price fixing, monopoly abuse, and restraint of trade.

OCP assists victims of identity theft and administers the state's Security Freeze program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies and businesses.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	8.25	0.00	0.00	8.25	0.00	0.00	8.25
Personal Services	423,538	21,536	0	445,074	22,107	0	445,645
Operating Expenses	190,159	4,630	10,278	205,067	4,568	10,241	204,968
Benefits & Claims	0	0	990,000	990,000	0	990,000	990,000
Total Costs	\$613,697	\$26,166	\$1,000,278	\$1,640,141	\$26,675	\$1,000,241	\$1,640,613
State/Other Special	613,697	26,166	1,000,278	1,640,141	26,675	1,000,241	1,640,613
Total Funds	\$613,697	\$26,166	\$1,000,278	\$1,640,141	\$26,675	\$1,000,241	\$1,640,613

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,000,000	\$0
FY 2011	\$1,000,000	\$0

NP- 201 - Distribute Settlement Funds to Injured Parties -

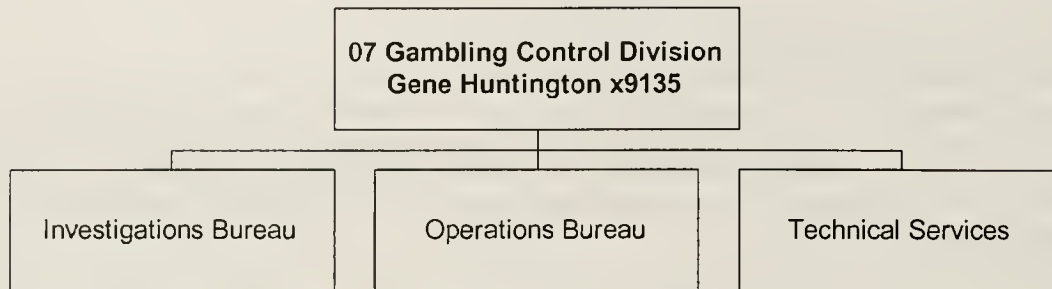
The Office of Consumer Protection (OCP) requests \$2.0 million in state special revenue appropriation to provide for the distribution of settlement proceeds to Montana consumers in the form of rebates, training, education, or other public service programs. Every year OCP receives funds from settlements related to the defrauding of consumers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$278	\$0
FY 2011	\$241	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$278 in FY 2010 and \$241 in FY 2011 state special revenue authority for the Office of Consumer Protection's allocation of the fixed cost

DEPARTMENT OF JUSTICE-4110 GAMBLING CONTROL DIVISION-07



Program Description - The Gambling Control Division was established by the 1989 Legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division collects the gambling tax assessed on the net proceeds of gambling activities. It conducts investigations related to alcoholic beverage licensing and tobacco enforcement. An appointed Gaming Advisory Council of nine members advises the Attorney General to ensure uniform statewide regulation of gambling activities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	49.50	1.00	0.00	50.50	1.00	0.00	50.50
Personal Services	2,626,118	388,456	0	3,014,574	394,150	0	3,020,268
Operating Expenses	778,201	131,641	6,598	916,440	131,243	6,385	915,829
Equipment & Intangible Assets	132,158	0	0	132,158	0	0	132,158
Debt Service	3,723	0	0	3,723	0	0	3,723
Total Costs	\$3,540,200	\$520,097	\$6,598	\$4,066,895	\$525,393	\$6,385	\$4,071,978
State/Other Special	2,582,066	389,671	6,167	2,977,904	393,549	6,011	2,981,626
Proprietary	958,134	130,426	431	1,088,991	131,844	374	1,090,352
Total Funds	\$3,540,200	\$520,097	\$6,598	\$4,066,895	\$525,393	\$6,385	\$4,071,978

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$55,500	\$0
FY 2011	\$56,900	\$0

PL- 701 - GCD Base Operating Expense Adjustments -

This decision package requests \$112,400 in the Gambling Control Division for annualization of base operating expenditures, lease rate adjustments, and out of country travel. Funding for the request is \$74,000 in state special revenue and \$38,400 in proprietary funds. The last legislature provided for additional investigators in the division. However, the division was not able to fill the positions until April, May and June of the base year. This request annualizes the operating costs related to supporting the tasks and duties of these positions. In addition, the division occupies leased office space in non-DOA buildings around the state where the lease agreements call for annual rate increases. Again in the event foreign machine manufacturers apply for licenses to sell machines in this state, the division is requesting \$15,000 per year for out of country travel so that the division can be prepared to make three trips out of country to conduct license investigations of video gambling manufacturers that are based outside of the United States.

DEPARTMENT OF JUSTICE-4110 GAMBLING CONTROL DIVISION-07

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$50,000	\$0

PL- 702 - Continue OTO Approp - Gambling Database – (Bien/OTO) -

This decision package requests \$100,000 state special revenue funding in the Gambling Control Division as a one-time-only, biennial appropriation, to enhance the web entry system that is being used by a larger proportion of gambling operators than was anticipated. The division will initiate a planning process with customers to improve functionality and convenience. The improvements may require changes to the data base or web interface.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$71,433	\$0
FY 2011	\$68,966	\$0

PL- 703 - New Machine Tester FTE -

This decision package requests \$140,399 and 1.00 FTE machine tester in the Gambling Control Division, to complete testing of new video gambling machines, new machine programs, and automated accounting and reporting systems submitted to the division for approval and subsequent sale to Montana gambling operators.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000	\$0
FY 2011	\$5,000	\$0

NP- 704 - Recycling Video Gambling Machines -

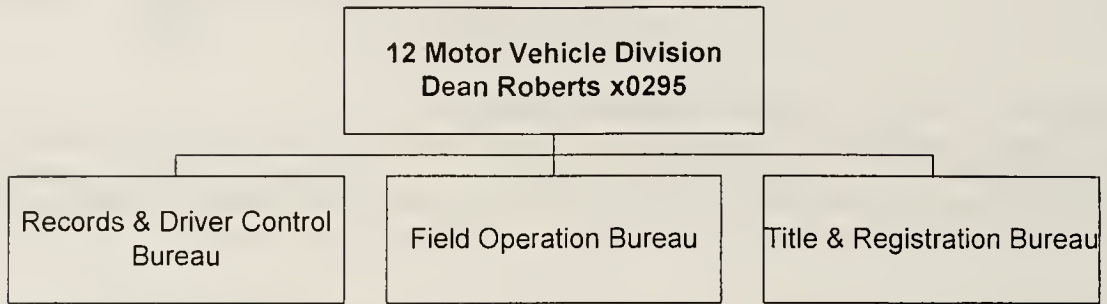
This decision package requests an appropriation of \$5,000 each year of the biennium from the gambling state special revenue fund to pay for the costs of recycling video gambling machines that are confiscated or abandoned by their previous owner. In cases where the owner of the old video gambling machines can be identified, the Gambling Control Division would use these funds to negotiate a cost sharing agreement for the recycling of the machines.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,598	\$0
FY 2011	\$1,385	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation. -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,598 in FY 2010 and \$1,385 in FY 2011 state special revenue and proprietary authority for the Gambling Control Division's allocation of the fixed cost.

DEPARTMENT OF JUSTICE-4110 MOTOR VEHICLE DIVISION-12



Program Description - The Motor Vehicle Division (MVD), under provision of Title 61 and Title 23, MCA, and certain federal statutes is responsible for: 1) examination and licensure of all drivers; 2) verification of identification; 3) creation and maintenance of permanent driver and motor vehicle records; 4) titling and registration of all vehicles including boats, snowmobiles, and ATVs; 5) inspection and verification of vehicle identification numbers; 6) licensure and compliance control of motor vehicle dealers and manufacturers; and 7) providing motor voter registration.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	155.00	0.00	0.00	155.00	0.00	0.00	155.00
Personal Services	5,629,097	733,084	0	6,362,181	747,632	0	6,376,729
Operating Expenses	6,224,419	1,116,381	5,055	7,345,855	820,220	4,383	7,049,022
Equipment & Intangible Assets	32,649	107,500	0	140,149	107,500	0	140,149
Debt Service	736,412	1,046,873	0	1,783,285	931,425	0	1,667,837
Total Costs	\$12,622,577	\$3,003,838	\$5,055	\$15,631,470	\$2,606,777	\$4,383	\$15,233,737
General Fund	6,771,937	1,285,235	3,033	8,060,205	987,639	2,631	7,762,207
State/Other Special	5,409,492	1,531,629	2,022	6,943,143	1,432,008	1,752	6,843,252
Proprietary	441,148	186,974	0	628,122	187,130	0	628,278
Total Funds	\$12,622,577	\$3,003,838	\$5,055	\$15,631,470	\$2,606,777	\$4,383	\$15,233,737

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$189,948	\$113,969
FY 2011	\$210,017	\$126,010

PL- 1201 - Base Adjustments MVD Field Operations Bureau -

The Motor Vehicle Division (MVD) Field Operations Bureau requests base budget adjustments totaling \$399,965 in the 2011 biennium, with \$239,979 funding from the general fund and \$159,986 from a state special revenue fund. These base year adjustments are necessary to allow MVD to continue meeting its on-going driver licensing and driver control responsibilities in light of higher work-load levels, technology advances, and specific price increases for goods or services. Base budget adjustments are requested for rent, and vehicle replacements.

DEPARTMENT OF JUSTICE-4110

MOTOR VEHICLE DIVISION-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$30,382	\$18,229
FY 2011	\$33,440	\$20,064

PL- 1202 - Base Adjustments MVD Title and Registration Bureau -

The Motor Vehicle Division (MVD) requests base budget adjustments totaling \$63,822 for the 2011 biennium to cover cost increases for staff overtime, legal fees, and rent. The funding requested totals \$38,293 in general fund and \$25,529 in state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,046,873	\$0
FY 2011	\$931,425	\$0

PL- 1204 - Adjust Base for HB 577, HB 261, & HB 90 Debt Pmts -

Budget adjustments are necessary to fund debt payments for HB 577, the Motor Vehicle System, Phase One, Titling System project (MVS1) and for HB 261 and 90, the Motor Vehicle System, Phase Two, Vehicle Registration and Driver Licensing/Driver Control System project (MVS2). A total of \$1,978,298 in state special revenue authority is requested for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$279,020	\$167,412
FY 2011	\$279,020	\$167,412

PL- 1205 - New Driver's License Production Costs -

The Motor Vehicle Division (MVD) requests increased appropriations for the 2011 biennium of \$558,040 (general fund \$334,824; state special revenue - \$223,216) to cover the higher production costs of the new driver's license cards that were released in July 2008. The RFP contract, signed in August 2007, replaced an eight-year contract and locked in the contract costs for seven years from the date of implementation. The new contract MVD has for card production will generate cards with enhanced security features that will reduce the potential of identity fraud and allow for greater customer services to the public with automated testing and scheduling services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$202,845	\$121,707
FY 2011	\$202,845	\$121,707

PL- 1207 - Point of Sale Title and Registration Forms -

The new vehicle registration forms, approved by the 2007 Legislature, will be immediately available at the point-of-sale (POS). POS capabilities streamline and simplify the titling and registration processes. The MVD Title and Registration Bureau requests \$405,690 general fund and state special revenue for the 2011 biennium for supplies and printing costs necessary to operate POS. The POS forms and decals and the specialized cartridges for the POS printers are very critical to the MERLIN system and without them the counties cannot act as agents for the state in the registration of motor vehicles.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$321,250	\$321,250
FY 2011	\$0	\$0

PL- 1208 - License Plate Reissue - OTO -

Montana statute 61-3-332(3)(a), MCA, requires the manufacture and issuance of new general issue motor vehicle license plates beginning January 1, 2010. A one-time present law base adjustment of \$321,250 in general funds is requested for FY 2010. The expenditures are offset by general fund revenue generated by the sale of the plates to the public.

DEPARTMENT OF JUSTICE-4110 MOTOR VEHICLE DIVISION-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$0
FY 2011	\$25,000	\$0

PL- 1212 - MV Proprietary Account Spending Authority -

Spending authority is requested for costs of development, maintenance, and distribution of information in the state's motor vehicle and driver licensing database applications. A 2011 biennial spending authorization in the amount of \$50,000 is requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$158,852	\$0
FY 2011	\$158,852	\$0

PL- 1213 - HB 671 Proprietary Account Spending Authority -

The legislature approved proprietary funds in the 2007 biennium to support operating costs for an enhanced motor vehicle web portal that allows 3rd party users to access the system. Implementation was delayed in FY 2008 and therefore is not reflected in the base budget. An increase in spending authority is requested in the amount of \$158,852 each year of the biennium for these proprietary funds providing a total authorized spending authority of \$600,000 in each year of the biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 1210 - State Special Revenue Funding Switch -

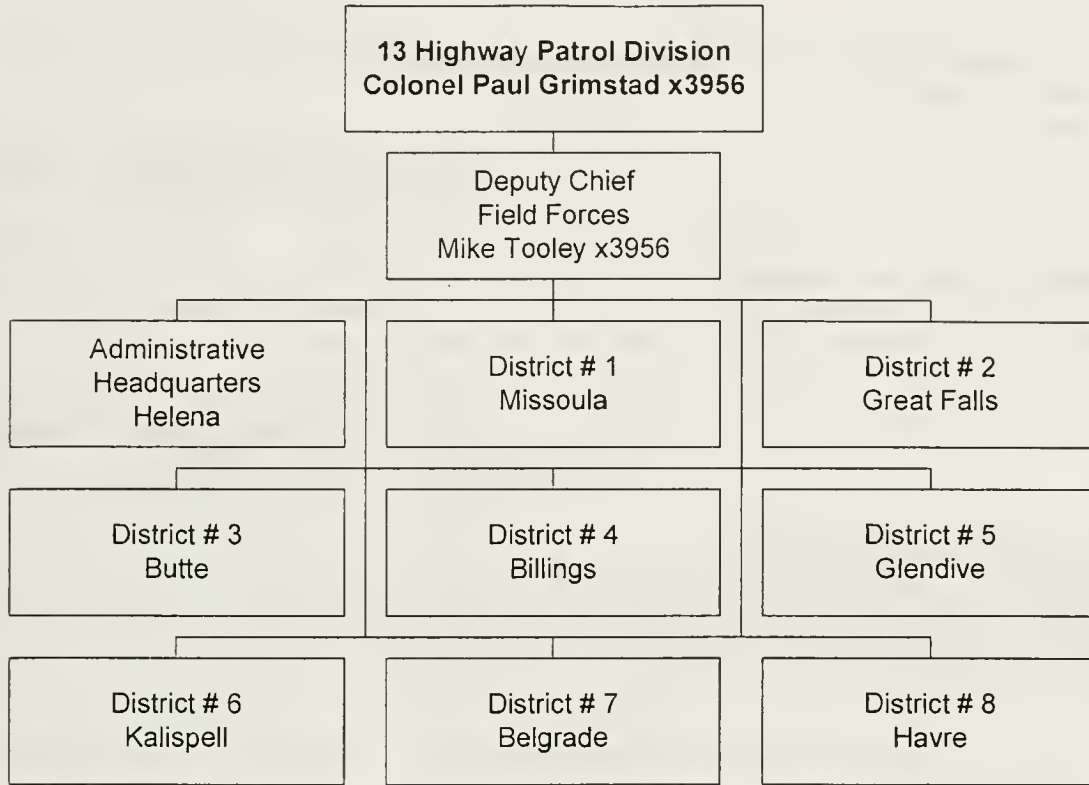
A report presented to the Legislative Finance Committee by Legislative Fiscal Division staff recommended that funds be appropriated directly from the non-restricted highway revenue fund rather than being transferred to and spent from the restricted fund. In accordance with the LFD report, this request switches funding of \$4,876,958 in FY 2010 and \$4,883,534 in FY 2011 from the restricted to the non-restricted highway state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,055	\$3,033
FY 2011	\$4,383	\$2,631

NP- 6101 - Fixed Cost WC Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$5,055 in FY 2010 and \$4,383 in FY 2011 general fund and state special revenue authority for the Gambling Control Division's allocation of the fixed cost.

DEPARTMENT OF JUSTICE-4110 HIGHWAY PATROL DIVISION-13



Program Description - The Highway Patrol Division (HPD) is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic crashes. The patrol gives assistance and information to motorists and first aid to those injured in traffic crashes, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour-a-day, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	232.27	0.00	0.00	232.27	0.00	0.00	232.27
Personal Services	14,456,401	1,615,875	0	16,072,276	1,678,174	0	16,134,575
Operating Expenses	6,010,899	613,620	8,704	6,633,223	657,313	7,547	6,675,759
Equipment & Intangible Assets	1,499,424	0	0	1,499,424	0	0	1,499,424
Total Costs	\$21,966,724	\$2,229,495	\$8,704	\$24,204,923	\$2,335,487	\$7,547	\$24,309,758
General Fund	210,039	68,174	0	278,213	69,400	0	279,439
State/Other Special	21,756,685	2,161,321	8,704	23,926,710	2,266,087	7,547	24,030,319
Total Funds	\$21,966,724	\$2,229,495	\$8,704	\$24,204,923	\$2,335,487	\$7,547	\$24,309,758

**DEPARTMENT OF JUSTICE-4110
HIGHWAY PATROL DIVISION-13**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$80,000	\$80,000
FY 2011	\$80,000	\$80,000

PL- 1304 - Executive Protection Overtime -

This request for the Montana Highway Patrol is to fund overtime in the Executive Protection Program. This is a zero-based item and the executive requests \$80,000 general fund each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$250,000	\$0
FY 2011	\$250,000	\$0

PL- 1308 - Increase in base budget for rent. -

Lease rates, stipulated in contracts the Montana Highway Patrol (MHP) is party to, will increase in FY 2009 and throughout the 2011 biennium above the rent payments incurred during the base year. Additional funding of \$500,000 will be needed in the next biennium to support the increased contract rates.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 1310 - State Special Revenue Funding Switch -

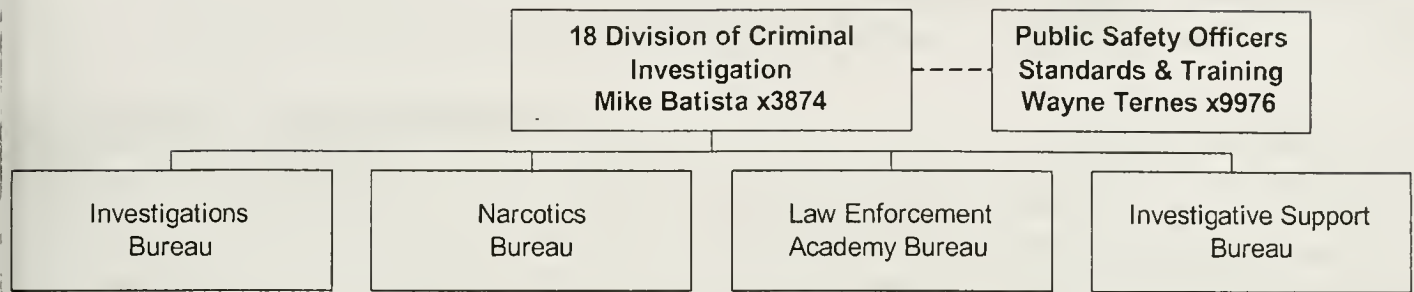
A report presented to the Legislative Finance Committee by Legislative Fiscal Division staff recommended that funds be appropriated directly from the non-restricted highway revenue fund rather than being transferred to and spent from the restricted fund. In accordance with the LFD report, this request switches funding of \$3,908,199 in FY 2010 and \$3,976,237 in FY 2011 from the restricted to the non-restricted highway state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,704	\$0
FY 2011	\$7,547	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$8,704 in FY 2010 and \$7,547 in FY 2011 of state special revenue authority for the Highway Patrol Division's allocation of the fixed cost.

**DEPARTMENT OF JUSTICE-4110
DIV. OF CRIMINAL INVESTIGATION-18**



Program Description - The Division of Criminal Investigation includes the administration, management, and coordination of criminal investigative services and training performed by the Investigations Bureau, the Narcotics Bureau, the Investigative Support Bureau, and the Law Enforcement Academy Bureau.

The Investigations Bureau consists of four sections. The Fire Prevention and Investigation Section is responsible for safeguarding life and property from fire, explosion, and arson through investigation, inspection, and fire code interpretation and enforcement functions. The Special Investigations Unit investigates crimes involving the use of computers; maintains the Sexual and Violent Offender Registry; and provides advanced training opportunities for law enforcement officials statewide. The Major Case Section provides criminal investigative assistance to city, county, state and federal law enforcement agencies. The Medicaid Fraud Control Section is responsible for investigating any crime that occurs in a health care facility, including theft, drug diversion, sexual assault, and homicide. The section also investigates elder exploitation, elder abuse, and fraud by providers within the Medicaid system.

The Narcotics Bureau investigates dangerous drug violations and provides investigative assistance to city, county, state and federal law enforcement agencies as requested. The bureau also investigates organized criminal activity.

The Investigative Support Bureau is responsible for establishing a statewide intelligence center; performing criminal records checks, operate the Criminal Justice Information Network, and addressing homeland security issues.

The Law Enforcement Academy Bureau provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	97.00	3.00	0.00	100.00	3.00	0.00	100.00
Personal Services	4,908,495	915,902	0	5,824,397	937,201	0	5,845,696
Operating Expenses	3,629,752	302,543	503,177	4,435,472	309,633	2,755	3,942,140
Equipment & Intangible Assets	331,101	90,000	0	421,101	90,000	0	421,101
Total Costs	\$8,869,348	\$1,308,445	\$503,177	\$10,680,970	\$1,336,834	\$2,755	\$10,208,937
General Fund	4,754,893	669,070	501,920	5,925,883	698,832	1,664	5,455,389
State/Other Special	3,200,414	372,260	926	3,573,600	367,606	804	3,568,824
Federal Special	914,041	267,115	331	1,181,487	270,396	287	1,184,724
Total Funds	\$8,869,348	\$1,308,445	\$503,177	\$10,680,970	\$1,336,834	\$2,755	\$10,208,937

**DEPARTMENT OF JUSTICE-4110
DIV. OF CRIMINAL INVESTIGATION-18**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$56,001	\$56,001
FY 2011	\$53,323	\$53,323

PL- 1802 - SVOR Program - FTE for Program -

The Division of Criminal Investigation requests \$109,324 in general fund for the 2011 biennium for 1.00 FTE data control specialist and operating expenses for the sexual and violent offender registry (SVOR) program. Currently the program is supported by 1.00 FTE. An additional 1.00 FTE is needed to support a growing program resulting from legislation changes and additional program responsibilities due to an increasing number of sexual and violent offenders in the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,000	\$60,000
FY 2011	\$60,000	\$60,000

PL- 1805 - Vehicle Replacement Program -

DCI requests an increase in the amount of money available for replacement of vehicles. Many of the division's vehicles exceed 30,000 miles annually. As a result, the vehicles normally have an active life of only 5 years. DCI currently has numerous vehicles in its fleet with 100,000 or more miles, that are due to be replaced. In order to meet the state requirements for fuel efficient motor vehicles and to maintain a safe vehicle fleet, it is necessary to begin replacing vehicles. The vehicle replacement cost will be \$120,000 general fund for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$171,076	\$118,152
FY 2011	\$188,584	\$134,400

PL- 1806 - DCI - Base Adjustments -

DCI requests \$359,660 for the 2011 biennium for base budget adjustments to allow the division to continue meeting its ongoing responsibilities. DCI funding supports narcotics investigations, general investigations, intelligence sections and background checks functions throughout the state. The adjustments in this proposal are due to increased costs of operating in critical areas where DCI has little or no control over the costs and to annualize costs for positions held vacant during the base year. The major increases occur in overtime, ammunition, gasoline, travel, and rent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,000	\$0
FY 2011	\$50,000	\$0

PL- 1807 - MLEA - Base Adjustments -

The Division of Criminal Investigation (DCI) requests base adjustments for the Montana Law Enforcement Academy (MLEA) in the amount of \$90,000 in state special revenue appropriation for the 2011 biennium. These base budget adjustments are necessary to allow MLEA to continue to meet its ongoing responsibilities. The Montana Law Enforcement Academy is funded with criminal conviction surcharge revenue and class fees. MLEA provides training statewide to law enforcement agencies. The adjustments in this proposal are due to increased costs of operating in critical areas where MLEA has little or no control over the costs. The major increases occur in ammunition, communications, utilities and food service.

**DEPARTMENT OF JUSTICE-4110
DIV. OF CRIMINAL INVESTIGATION-18**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$65,286	\$0
FY 2011	\$42,573	\$0

PL- 1808 - MLEA - Records Management Assistant -

The Division of Criminal Investigation requests \$107,859 for the 2011 biennium for a 1.00 FTE records assistant, with operating budget and software. The records management assistant will implement and maintain a records management system to track all MLEA class participation. Currently all records are maintained in paper form. An OTO expense of \$20,000 will be needed in the first year of the biennium for a records management software.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,000	\$20,000
FY 2011	\$20,000	\$20,000

PL- 1809 - Computer Crime Unit Equip Replacement - OTO -

The Division of Criminal Investigation requests \$40,000 general fund for the 2011 biennium to purchase new equipment and software for the computer crime unit. This appropriation will allow the computer crime unit to keep current with technology and fund increasing costs of storage and operations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$42,429	\$42,429
FY 2011	\$39,619	\$39,619

PL- 1811 - Child Sexual Abuse Program - FTE request -

The Division of Criminal Investigations requests 1.00 FTE administrative assistant and funding of \$82,048 general fund for the 2011 biennium to support the Montana Child Sexual Abuse Response Team Program. This FTE will work closely with the MCSART Coordinator completing administrative duties to support the statewide program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$49,213	\$12,303
FY 2011	\$51,983	\$12,996

PL- 1812 - Medicaid Fraud Control Unit - Base Adjustment -

The budget includes \$25,299 general fund and \$75,897 federal special revenue authority, or a total of \$101,196 for the 2011 biennium, to pay for increases in the present law base of the Medicaid Fraud Control Unit. The Medicaid Fraud Control Unit is funded 25% from the general fund and 75% from federal funds. Each year, the Medicaid Fraud grant allows for a 5% cost-of-living adjustment. During the base year, the Medicaid Fraud unit had vacancies that affected the base expenditures in travel, gasoline, training, and communications. This request includes adjustments to annualize for these vacancies. The request includes \$20,000 in both FY 2010 and FY 2011 for necessary vehicle replacements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,869	\$0
FY 2011	\$10,869	\$0

PL- 1813 - SW Drug Task Force Rent Butte Office -

The Division of Criminal Investigations requests \$10,869 in each year of the 2011 biennium to pay rent for the Southwest Montana Drug Taskforce (SWMDTF) office in Butte. This is the dollar amount of rent expense for this office in the FY 2008 base year. However, the expense was mistakenly recorded in a fixed cost expenditure account which got zeroed out for the 2011 biennium. This amount needs to be added back in for non-DOA building rent expenses for the SWMDTR. Funding is from a federal special revenue account.

**DEPARTMENT OF JUSTICE-4110
DIV. OF CRIMINAL INVESTIGATION-18**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$500,000	\$500,000
FY 2011	\$0	\$0

NP- 1814 - Continue Meth Watch Program - Rest/Bien/OTO -

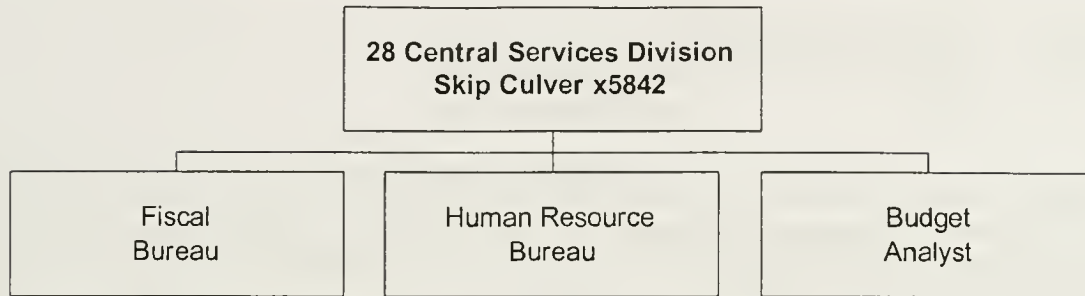
The executive recommends one time only funding of \$500,000 for the biennium for the meth media campaign designed to reduce methamphetamine addiction, especially among young Montanans. The public awareness campaign uses television, newspapers, radio, billboards, and movie screens to focus on the damage meth use causes individuals, families, and communities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,177	\$1,920
FY 2011	\$2,755	\$1,664

NP- 6101 - Fixed Cost Workers Comp Management Program Alloc -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$5,932 in the 2011 biennium, with \$3,584 funding from the general fund, \$618 from federal funds and \$1,730 from a state special revenue fund for DCI.

**DEPARTMENT OF JUSTICE-4110
CENTRAL SERVICES DIVISION-28**



Program Description - The Central Services Division provides the administrative, personnel, budgetary, accounting, and fiscal support for the Department of Justice. The program also administers the County Attorney Payroll.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.00	0.00	0.00	18.00	0.00	0.00	18.00
Personal Services	937,933	85,119	0	1,023,052	88,442	0	1,026,375
Operating Expenses	215,565	57,882	557	274,004	(13,831)	482	202,216
Total Costs	\$1,153,498	\$143,001	\$557	\$1,297,056	\$74,611	\$482	\$1,228,591
General Fund	418,947	97,953	233	517,133	68,985	201	488,133
State/Other Special	668,119	39,173	318	707,610	(448)	275	667,946
Proprietary	66,432	5,875	6	72,313	6,074	6	72,512
Total Funds	\$1,153,498	\$143,001	\$557	\$1,297,056	\$74,611	\$482	\$1,228,591

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 2810 - State Special Revenue Funding Switch -

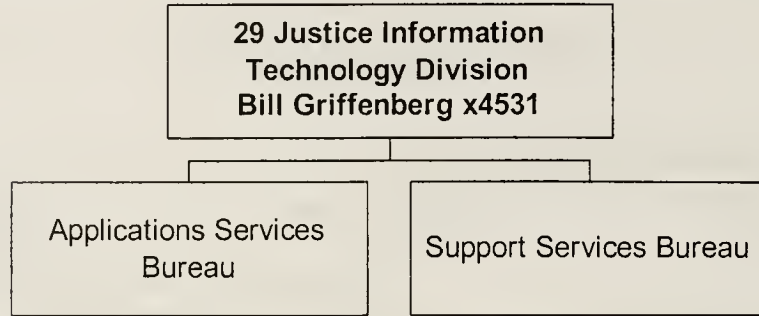
A report presented to the Legislative Finance Committee by Legislative Fiscal Division staff recommended that funds be appropriated directly from the non-restricted highway revenue fund rather than being transferred to and spent from the restricted fund. In accordance with the LFD report, this request switches funding of \$594,769 in FY 2010 and \$561,451 in FY 2011 from the restricted to the non-restricted highway state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$557	\$233
FY 2011	\$482	\$201

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The Central Services Division budget includes \$1,039 in the 2011 biennium, with \$434 funding from the general fund, and \$605 from other funds.

DEPARTMENT OF JUSTICE-4110 INFORMATION TECHNOLOGY SERVICE-29



Program Description - The Justice Information Technology Services Division provides a full range of information technology and criminal justice services for the department, including: system development and maintenance for all systems and platforms within the department, such as MERLIN and Mainframe development and maintenance of the motor vehicle titling, registration, driver license and history system, etc.; criminal history record information system and the Montana Uniform Crime Reporting System; support for the department's internal computers and systems; support for the Criminal Justice Information Network (CJIN) which links law enforcement and criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System, the National Crime Information Center (NCIC), and numerous State of Montana files. Some of the newer systems supported include, but are not limited to, the MHP Integrated Public Safety System (CAD, RMS, Mobile in car, e-citations, crash reporting, etc.), End of Life, Hope Card, Concealed Weapons, and Amber Alert. One of the largest and important projects is support and maintenance of the IJIS broker. This system is key to interoperability between all justice information technology systems within the state, which includes federal, state, and local agencies being interfaced together to share information.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	41.00	0.00	0.00	41.00	0.00	0.00	41.00
Personal Services	2,206,495	338,127	0	2,544,622	347,036	0	2,551,531
Operating Expenses	1,039,913	6,780	1,335	1,048,028	7,352	1,158	1,048,423
Equipment & Intangible Assets	87,831	0	0	87,831	0	0	87,831
Total Costs	\$3,334,239	\$344,907	\$1,335	\$3,680,481	\$354,388	\$1,158	\$3,689,785
General Fund	3,196,881	344,096	1,335	3,542,312	353,537	1,158	3,551,576
State/Other Special	121,769	728	0	122,497	764	0	122,533
Federal Special	2,268	0	0	2,268	0	0	2,268
Proprietary	13,321	83	0	13,404	87	0	13,408
Total Funds	\$3,334,239	\$344,907	\$1,335	\$3,680,481	\$354,388	\$1,158	\$3,689,785

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 2910 - State Special Revenue Funding Switch -

A report presented to the Legislative Finance Committee by Legislative Fiscal Division staff recommended that funds be appropriated directly from the non-restricted highway revenue fund rather than being transferred to and spent from the restricted fund. In accordance with the LFD report, this request switches funding of \$58,345 in FY 2010 and \$58,363 in FY 2011 from the restricted to the non-restricted highway state special revenue fund.

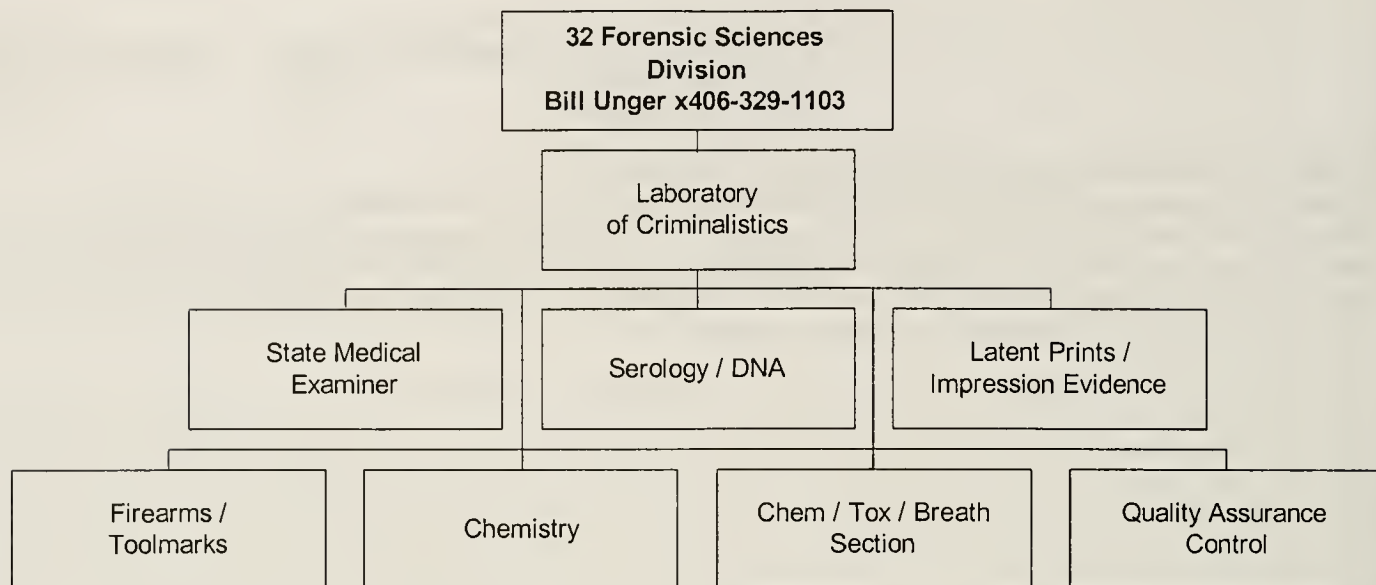
DEPARTMENT OF JUSTICE-4110
INFORMATION TECHNOLOGY SERVICE-29

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,335	\$1,335
FY 2011	\$1,158	\$1,158

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The Information Technology Services Division budget includes \$1,335 general fund in FY 2010 and \$1,158 general fund in FY 2011.

DEPARTMENT OF JUSTICE-4110 FORENSIC SCIENCE DIVISION-32



Program Description - The Forensic Science Division includes the State Crime Lab in Missoula and the State Medical Examiner. The division provides a statewide system of death investigation, forensic science training and scientific criminal investigation. The division conducts analysis on specimens submitted by law enforcement officials, coroners and other state agencies. The division tests firearms, tool marks, hair, fiber, drugs, blood, body fluids, and tissues. The laboratory also analyzes blood and urine samples in connection with driving under the influence (DUI) cases and it provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	32.75	0.00	0.00	32.75	0.00	0.00	32.75
Personal Services	2,519,340	98,522	0	2,617,862	114,787	0	2,634,127
Operating Expenses	1,221,246	(171,841)	1,207	1,050,612	(171,440)	1,046	1,050,852
Equipment & Intangible Assets	7,827	95,000	0	102,827	128,000	0	135,827
Debt Service	90,207	0	0	90,207	0	0	90,207
Total Costs	\$3,838,620	\$21,681	\$1,207	\$3,861,508	\$71,347	\$1,046	\$3,911,013
General Fund	3,535,416	22,147	1,207	3,558,770	71,901	1,046	3,608,363
State/Other Special	303,204	(466)	0	302,738	(554)	0	302,650
Total Funds	\$3,838,620	\$21,681	\$1,207	\$3,861,508	\$71,347	\$1,046	\$3,911,013

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$95,445	\$95,445
FY 2011	\$95,445	\$95,445

PL- 3201 - Base Year Adjustments for Building Maintenance -

On December 31, 2007, the Forensic Science Division purchased the building where it resides. Upon purchase, the division became responsible for paying utilities and maintenance costs. Only six months of utility and maintenance costs are included in the base year. The division will need \$95,445 in additional general fund each year to provide for another six months of utilities and maintenance in order to complete their full year costs in the 2011 biennium.

**DEPARTMENT OF JUSTICE-4110
FORENSIC SCIENCE DIVISION-32**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$283,073)	(\$283,073)
FY 2011	(\$283,073)	(\$283,073)

PL- 3202 - Remove Rent Expenditures on Building -

On December 31, 2007 the Forensic Science Division purchased the building which it had been renting and will no longer incur rental costs. The base year budget includes \$283,073 for one-half year in rent expenditures that are no longer needed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$95,000	\$95,000
FY 2011	\$128,000	\$128,000

PL- 3203 - Crime Lab Request for Equipment (Bien) - OTO -

The State Crime Lab relies on highly sophisticated and expensive instrumentation for much of the analysis it does. The lab has more than 44 different instruments, which range in cost up to \$200,000. The Forensic Science Division requests a 2011 biennial appropriation of \$223,000 for equipment replacements and purchases. A biennial appropriation would allow for the instruments to be acquired early in the biennium and put into use as soon as possible. At this time it is planned that \$95,000 would be spent in FY 2010 and \$128,000 FY 2011.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,207	\$1,207
FY 2011	\$1,046	\$1,046

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The Forensic Science Division budget includes \$1,207 general fund in FY 2010 and \$1,046 general fund in FY 2011.

PUBLIC SERVICE REGULATION-4201 PUBLIC SERVICE REGULATION PROG-01

4201 Public Service Regulation
X6199

01 Public Service
Commission

Mission Statement - To fairly balance the long-term interests of Montana utility and transportation companies and the customers they serve.

Statutory Authority - Title 69

Program Description - The Department of Public Service Regulation (PSR) regulates the public utility and transportation industries. Five commissioners elected from districts throughout Montana oversee this program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	39.00	2.00	0.00	41.00	2.00	0.00	41.00
Personal Services	2,629,550	523,776	0	3,153,326	325,066	0	2,954,616
Operating Expenses	550,637	127,552	1,274	679,463	46,671	1,104	598,412
Equipment & Intangible Assets	0	5,000	0	5,000	0	0	0
Total Costs	\$3,180,187	\$656,328	\$1,274	\$3,837,789	\$371,737	\$1,104	\$3,553,028
State/Other Special	3,159,782	651,328	1,274	3,812,384	366,737	1,104	3,527,623
Federal Special	20,405	5,000	0	25,405	5,000	0	25,405
Total Funds	\$3,180,187	\$656,328	\$1,274	\$3,837,789	\$371,737	\$1,104	\$3,553,028

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$205,883	\$0
FY 2011	\$0	\$0

PL- 1 - Pay Retirement Benefits – Bien -

The Public Service Commission (PSC) is requesting \$205,883 of state special revenue authority in the 2011 biennium to fund anticipated staff retirement payouts. The PSC estimates that up to 21% of its staff will retire in the upcoming biennium resulting in leave payouts above what the commission can absorb.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$170,322	\$0
FY 2011	\$170,353	\$0

PL- 4 - Request for Two FTE -

The Public Service Commission is requesting 1.00 FTE attorney and 1.00 FTE utility rate analyst. Due to increased regulatory issues, statutory deadlines, and increased need for expert advice the need for these two positions has become necessary. The request is for \$170,322 in FY 2010 and \$170,353 in FY 2011 of state special revenue spending authority.

PUBLIC SERVICE REGULATION-4201

PUBLIC SERVICE REGULATION PROG-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,500	\$0
FY 2011	\$12,500	\$0

PL- 5 - Match Pipeline Safety Federal Award -

The Pipeline Safety federal grant award is expected to increase \$5,000 each fiscal year over previous awards due to recent law changes requiring the Public Service Commission to conduct additional inspections. A 60% match of state funds is required. The Public Service Commission is requesting an additional \$7,500 in each year of the biennium to meet this matching requirement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,714	\$0
FY 2011	\$19,776	\$0

PL- 6 - Building Rent/Maintain NRRI Membership -

The PSC is requesting an increase in authority to cover a 3% annual increase for rent expenses and authority to cover a 20% increase for the biennium for membership dues. These dues are to the National Regulatory Research Institute (NRRI) which serves as the National Association of Regulatory Utility Commissioner's research resource.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$31,955	\$0
FY 2011	\$0	\$0

PL- 7 - Computer Replacement -

The Public Service Commission is requesting to replace 22 desktop computers, 7 notebook computers and 1 server in FY 2010. Computer replacement request is based on a four-year replacement cycle recommended by Information Technology Services Division, Department of Administration.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,465	\$0
FY 2011	\$9,465	\$0

PL- 9 - Travel -

The budget includes funding for additional travel of \$9,465 in each year of the biennium. This request is for new commissioner training and increased in-state travel to coordinate and attend statewide PSC hearings.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$35,000	\$0
FY 2011	\$0	\$0

PL- 10 - Broadcast PSC hearings - OTO -

The Public Service Commission (PSC) is requesting \$35,000 in state special revenue authority to purchase the infrastructure required to incorporate PSC weekly work sessions and other public PSC meetings into the Television Montana (TVMT) system. The PSC is dedicated to providing opportunities for the public to participate in its deliberative processes. TVMT currently broadcasts the legislature and other state government activities on cable TV stations in Billings, Bozeman, Helena, and Missoula. They are working to expand coverage to reach about 30 Montana cities by January 2009. In addition, TVMT programming is made available to elementary and secondary schools throughout the state through the Office of Public Instruction.

**PUBLIC SERVICE REGULATION-4201
PUBLIC SERVICE REGULATION PROG-01**

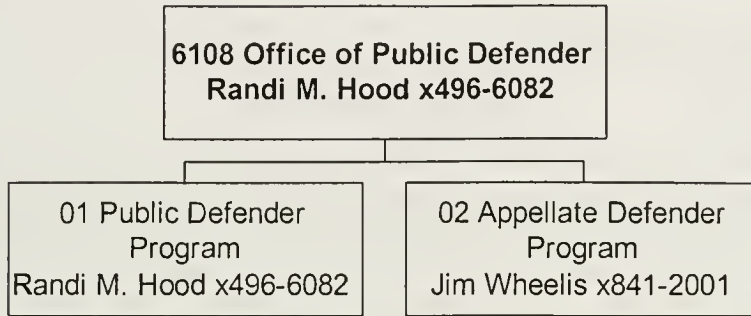
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,274	\$0
FY 2011	\$1,104	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,274 in FY 2010 and \$1,104 in FY 2011 state special revenue authority for the Public Service Commission's allocation of the fixed cost.

OFFICE OF PUBLIC DEFENDER-6108



Mission Statement - The mission of the Office of the State Public Defender is to ensure equal access to justice for the state's indigent. The statewide public defender system, created by passage of the Montana Public Defender Act contained in Title 47, Montana Code Annotated, requires the new system to be operational by July 1, 2006.

The Public Defender Commission is responsible for the design, direction, and supervision of the new system. The commission appoints the chief public defender, approves the strategic plan for the delivery of services, approves statewide standards for qualifications and training of public defenders and approves the overall design of the new statewide system.

Statutory Authority - Title 46

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	192.50	8.00	0.00	200.50	8.00	0.00	200.50
Personal Services	11,077,564	908,791	141,114	12,127,469	827,423	235,372	12,140,359
Operating Expenses	8,068,574	430,631	66,737	8,565,942	362,711	125,841	8,557,126
Equipment & Intangible Assets	123,370	0	0	123,370	0	0	123,370
Total Costs	\$19,269,508	\$1,339,422	\$207,851	\$20,816,781	\$1,190,134	\$361,213	\$20,820,855
General Fund	19,226,052	1,339,422	207,851	20,773,325	1,190,134	361,213	20,777,399
State/Other Special	43,456	0	0	43,456	0	0	43,456
Total Funds	\$19,269,508	\$1,339,422	\$207,851	\$20,816,781	\$1,190,134	\$361,213	\$20,820,855

OFFICE OF PUBLIC DEFENDER-6108

OFFICE OF PUBLIC DEFENDER-01

01 Public Defender Program
 Randi M. Hood x496-6082

Program Description - The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be financially unable to retain private counsel and who is accused of an offense that could result in the person's loss of life or liberty if convicted. The office administers the statewide public defender system that is supervised by the Public Defender Commission. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission.

The Public Defender Commission is responsible for the design, direction and supervision of the new system. The Commission appoints the chief public defender, approves the strategic plan for the delivery of services, approves statewide standards for qualifications and training of public defenders and approves the overall design of the new statewide system. The Act provides for a one-year transition period for these tasks to be completed.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	184.50	7.00	0.00	191.50	7.00	0.00	191.50
Personal Services	10,575,678	827,082	141,114	11,543,874	749,591	235,372	11,560,641
Operating Expenses	7,762,333	430,525	66,737	8,259,595	362,602	125,841	8,250,776
Equipment & Intangible Assets	123,370	0	0	123,370	0	0	123,370
Total Costs	\$18,461,381	\$1,257,607	\$207,851	\$19,926,839	\$1,112,193	\$361,213	\$19,934,787
General Fund	18,417,925	1,257,607	207,851	19,883,383	1,112,193	361,213	19,891,331
State/Other Special	43,456	0	0	43,456	0	0	43,456
Total Funds	\$18,461,381	\$1,257,607	\$207,851	\$19,926,839	\$1,112,193	\$361,213	\$19,934,787

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$707,290	\$707,290
FY 2011	\$703,230	\$703,230

PL- 1 - Support of Increased Caseload -

The Public Defender Program is requesting 7.00 FTE attorney positions. The total personal services funding request is \$507,290 for FY 2010 and \$503,230 for FY 2011. Also included in the total increase is the amount of \$200,000 in each fiscal year of the biennium to pay contract attorneys that are expected to cover part of the increased caseload.

OFFICE OF PUBLIC DEFENDER-6108
OFFICE OF PUBLIC DEFENDER-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$32,972	\$32,972
FY 2011	\$32,972	\$32,972

PL- 9 - ITSD Fixed Cost PL Adjust -

The executive is requesting \$32,972 general fund each year of the biennium for the Office of the Pulic Defender's operations to fund the agency's portion of ITSD fixed cost allocation that falls outside the adjusted base. The adjustment includes funding for local server replacements, Justware Database and Fileshare disks, and Collaboration SLA Sharepoint.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,000	\$60,000
FY 2011	\$120,000	\$120,000

NP- 3 - Increase in Contract Rates-Restricted -

This executive request of \$60,000 in FY 2010 and \$120,000 in FY 2011 general fund is to fund a contract attorney rate increase of 1% per year. The base rate the Office of the Public Defender is currently paying is \$60 per hour. This increase is consistent with other executive provider rate increase proposals.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$141,114	\$141,114
FY 2011	\$235,372	\$235,372

NP- 5 - Union Career Ladder Pay Increases -

The Office of Public Defender is requesting funding to implement a progression pay increase for unionized attorneys. The amount requested is \$141,114 in FY 2010 and \$235,372 in FY 2011 of general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,737	\$6,737
FY 2011	\$5,841	\$5,841

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$6,737 in FY 2010 and \$5,841 in FY 2011 general fund authority for the Office of the Public Defender's allocation of the fixed cost.

**OFFICE OF PUBLIC DEFENDER-6108
OFFICE OF APPELLATE DEFENDER-02**

02 Appellate Defender Program
Jim Wheelis x841-2001

Program Description - The Appellate Defender Program provides appeal services for indigent citizens.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	8.00	1.00	0.00	9.00	1.00	0.00	9.00
Personal Services	501,886	81,709	0	583,595	77,832	0	579,718
Operating Expenses	306,241	106	0	306,347	109	0	306,350
Total Costs	\$808,127	\$81,815	\$0	\$889,942	\$77,941	\$0	\$886,068
General Fund	808,127	81,815	0	889,942	77,941	0	886,068
Total Funds	\$808,127	\$81,815	\$0	\$889,942	\$77,941	\$0	\$886,068

-----Present Law Adjustments-----

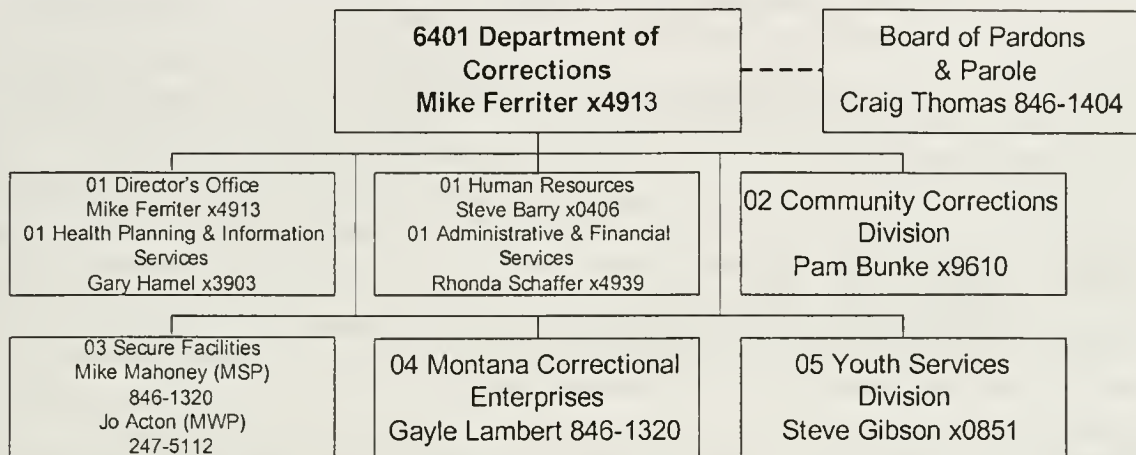
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$72,658	\$72,658
FY 2011	\$71,910	\$71,910

PL- 2 - Support Increase in Caseload-Appellate -

The Office of the Public Defender is requesting 1.00 FTE in the Appellate Program. This amounts to approximately \$72,000 per fiscal year of general fund. As base caseloads increase so does the need for additional staff.

DEPARTMENT OF CORRECTIONS-6401

Please note that this agency also contains proprietary funding (see Section P).



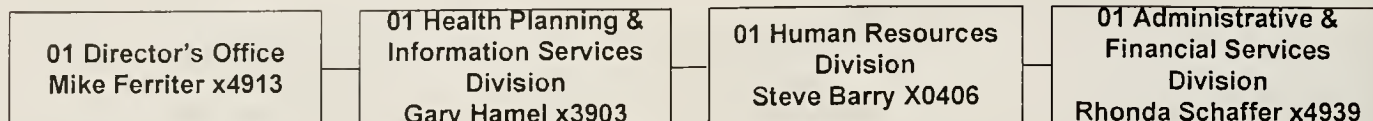
Mission Statement - The Montana Department of Corrections enhances public safety, promotes positive change in offender behavior, reintegrates offenders into the community, and supports victims of crime.

Statutory Authority - Provided for in 2-15-2301, 53-1-201 and 53-1-202, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1,255.64	75.00	3.00	1,333.64	81.00	3.00	1,339.64
Personal Services	65,035,582	7,888,341	157,533	73,081,456	8,425,048	157,700	73,618,330
Operating Expenses	85,728,107	20,948,515	3,102,717	109,779,339	24,210,212	2,817,379	112,755,698
Equipment & Intangible Assets	207,507	0	100,000	307,507	0	0	207,507
Benefits & Claims	4,175,855	0	0	4,175,855	0	0	4,175,855
Transfers	2,124,917	0	0	2,124,917	0	0	2,124,917
Total Costs	\$157,271,968	\$28,836,856	\$3,360,250	\$189,469,074	\$32,635,260	\$2,975,079	\$192,882,307
General Fund	153,515,661	27,751,384	2,833,146	184,100,191	31,549,688	2,876,331	187,941,680
State/Other Special	3,106,783	942,485	524,715	4,573,983	945,551	96,677	4,149,011
Federal Special	134,148	0	0	134,148	0	0	134,148
Proprietary	515,376	142,987	2,389	660,752	140,021	2,071	657,468
Total Funds	\$157,271,968	\$28,836,856	\$3,360,250	\$189,469,074	\$32,635,260	\$2,975,079	\$192,882,307

DEPARTMENT OF CORRECTIONS-6401

ADMIN AND SUPPORT SERVICES-01



Program Description - The Administration and Support Services Program includes the Director's Office, Health Planning and Information Services Division, Human Resources Division, Administrative and Financial Services Division and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development & training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	110.00	2.00	0.00	112.00	2.00	0.00	112.00
Personal Services	6,192,508	779,887	0	6,972,395	799,560	0	6,992,068
Operating Expenses	9,003,302	1,385,064	546,835	10,935,201	1,234,931	91,273	10,329,506
Total Costs	\$15,195,810	\$2,164,951	\$546,835	\$17,907,596	\$2,034,491	\$91,273	\$17,321,574
General Fund	14,800,031	2,099,852	89,159	16,989,042	1,972,526	33,953	16,806,510
State/Other Special	320,198	56,082	455,287	831,567	55,914	55,249	431,361
Proprietary	75,581	9,017	2,389	86,987	6,051	2,071	83,703
Total Funds	\$15,195,810	\$2,164,951	\$546,835	\$17,907,596	\$2,034,491	\$91,273	\$17,321,574

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,433	\$7,433
FY 2011	\$7,433	\$7,433

PL- 101 - Powell County Contract Increase -

The Legal Bureau is requesting a funding increase for the Powell County Attorney's contract in the amount of \$7,433 general fund for each year of the biennium. This increase would allow the Powell County Attorney to request to hire a Deputy County Attorney in Powell County to assist in prosecute all the cases the prison investigators bring to him, and not be forced to pick and choose because of time constraints.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,087	\$11,087
FY 2011	\$11,087	\$11,087

PL- 102 - Leased Vehicles for Investigations -

The Investigation Bureau is requesting a funding increase for new leased vehicle in the amount of \$11,087 general fund for each year of the biennium. The investigators are responsible for providing assistance when requested to local jurisdictions, community corrections and institutions related to criminal and administrative investigations for the maintenance of security.

DEPARTMENT OF CORRECTIONS-6401

ADMIN AND SUPPORT SERVICES-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$649,138	\$649,138
FY 2011	\$651,511	\$651,511

PL- 601 - Outside Medical Additional Authority -

The Health Services Bureau is requesting a funding increase in operating costs to account for inflationary increases associated with outside inmate medical expenses. The number of offenders needing outside medical care continually increases and cost of services is estimated to increase. The Health Services Bureau requests general fund of \$649,138 in FY 2010 and \$651,511 in FY 2011 for these expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$67,439	\$67,439
FY 2011	\$67,917	\$67,917

PL- 602 - Software Maintenance -

The Information Technology Bureau is requesting funding for systems which were put into place in FY08-09 that require ongoing maintenance. These costs were not captured in the base budget. The request is for general fund in the amount of \$67,439 in FY 2010 and \$ 67,917 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$52,199	\$52,199
FY 2011	\$50,099	\$50,099

PL- 701 - HR Training Support -

The Human Resources Bureau is requesting funding in the amount of \$52,199 in FY 2010 and \$50,099 in FY 2011. This request would provide 1.00 FTE in Billings to handle training and human resources issues for eastern Montana which would serve over 120 staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,500	\$0
FY 2011	\$2,500	\$0

PL- 702 - Training Manuals -

The Training Bureau is requesting state special authority in the amount of \$2,500 for each year of the biennium to offset the cost of printing and preparing training manuals for Department of Corrections employees and law enforcement employees. This authority will allow the department to continue to recoup costs of printing manuals by collecting fees for manuals.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,000	\$0
FY 2011	\$20,000	\$0

PL- 703 - Early Return to Work -

The Human Resources Bureau is requesting funding in the amount of \$20,000 for each year of the biennium. This request is for state special funding for the early return to work program which is currently not funded in the base budget.

DEPARTMENT OF CORRECTIONS-6401 ADMIN AND SUPPORT SERVICES-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,585	\$36,585
FY 2011	\$33,997	\$33,997

PL- 801 - BOPP Secretary FTE -

The Board of Pardons and Parole is requesting funding in the amount of \$36,585 for FY 2010 and \$33,997 for FY 2011. This request is for 1.00 FTE for a secretary at the Board of Pardons and Parole. This position will provide direct support to the records manager in Deer Lodge and answer the phone, distribute the mail, receive visitors, and file all offender documents received.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,425	\$40,425
FY 2011	\$40,425	\$40,425

PL- 802 - Board Member Per Diem -

The Board of Pardons and Parole is requesting funding in the amount of \$40,425 for each year of the biennium for the Montana Board of Pardons and Parole member's compensation. The board conducts monthly hearings throughout the State of Montana. Board members are entitled to be paid per diem for every day in which the member is engaged in the performance of board duties. This is a zero-based budgeted item.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$48,785	\$48,785
FY 2011	\$49,866	\$49,866

PL- 806 - Annualization for BOPP Office Space -

The Board of Pardons and Parole is requesting funding in the amount of \$48,785 for FY 2010 and \$49,866 for FY 2011 of general fund authority. The Board of Pardons and Parole board re-located to a new office in August of 2008. This request is for the rent cost which is not in the department's base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$392,784	\$392,784
FY 2011	\$396,597	\$396,597

PL- 901 - Annualization for Central Office Rent -

The Accounting and Financial Services Division is requesting funding in the amount of \$392,784 for FY 2010 and \$396,597 for FY 2011 general fund for the new rent expenditures in a new building proposed at South Pointe. This request is based on a square foot cost of \$23.13 with a 1% increase in the second year. The Department of Corrections central office building is over 100 years old.

DEPARTMENT OF CORRECTIONS-6401

ADMIN AND SUPPORT SERVICES-01

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,000	\$15,000
FY 2011	\$0	\$0

NP- 601 - PREA Supplies – (Bien/OTO) -

The department is requesting \$15,000 general fund for the 2011 biennium for one time only supplies and training to support the department's PREA Coordinator.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$10,000
FY 2011	\$0	\$0

NP- 604 - Research Electronic Records - OTO -

The department is requesting \$10,000 in FY 2010 for the Health Planning and Information Services Division. This funding will be used to contract with a company to evaluate the need for electronic medical records.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$0	\$0

NP- 802 - BOPP Portable Equip/Computers - OTO -

The department is requesting \$25,000 in FY 2010 for Board of Pardons and Parole needed supplies. The BOPP is beginning to implement a paperless system. In order to accomplish this goal the Board members must have the ability to access information on felony offenders remotely and staff must have the ability to send information and access information electronically. This request provides each Board member with a wireless laptop computer and the staff in Deer Lodge, Great Falls, and Billings with laptop computers. Portable printers are necessary to print Board disposition at offenders hearing. Printers will be located in Billings, Great Falls, and Deer Lodge.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$455,000	\$0
FY 2011	\$55,000	\$0

NP- 902 - Collections Unit System - OTO -

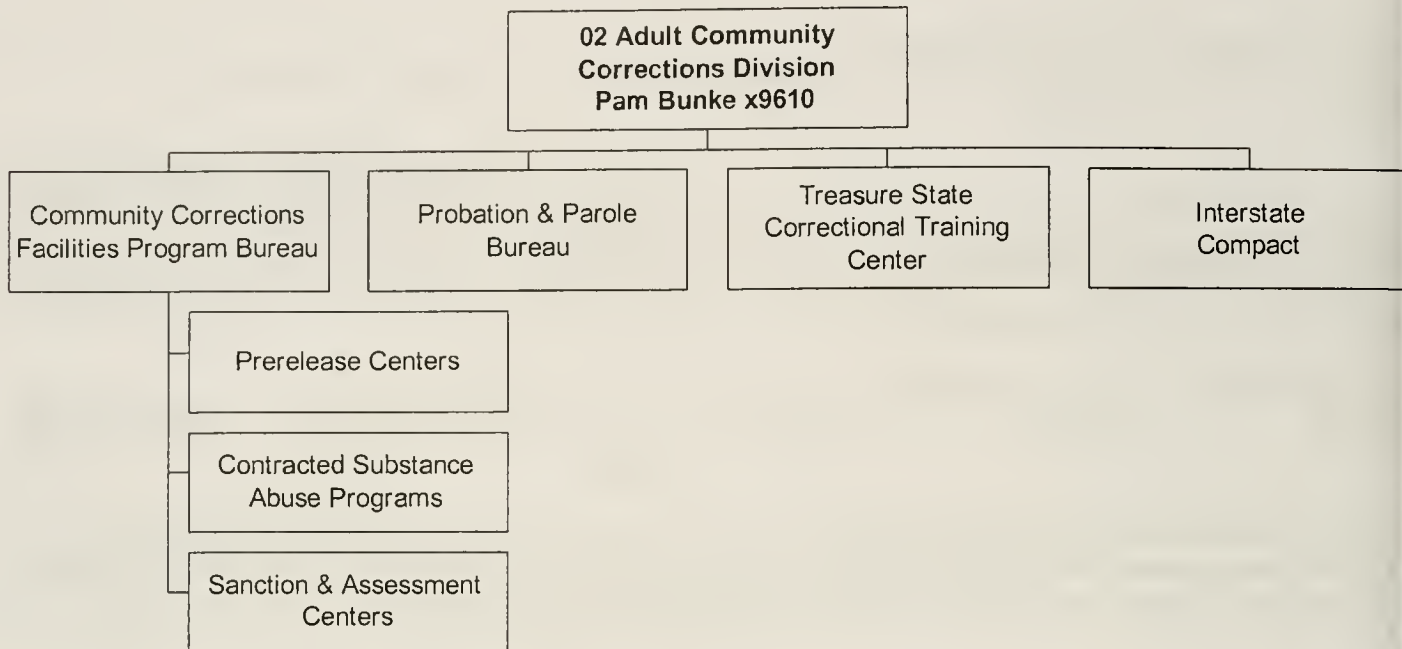
The department is requesting state special revenue authority of \$455,000 in FY2010 and \$55,000 in FY2011. The current software program to collect and distribute felony restitution was obtained from Cascade County 5 years ago. The current system is not able to be upgraded to be fully functional with department requirements and it cannot be interfaced with the department's current Offender Management Information System.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$41,835	\$39,159
FY 2011	\$36,273	\$33,953

NP- 6101 - Fixed Cost Workers Comp Management -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget request includes \$41,835 in FY 2010 and \$36,273 in FY 2011.

DEPARTMENT OF CORRECTIONS-6401 ADULT COMMUNITY CORRECTIONS-02



Program Description - The Adult Community Corrections Division includes probation and parole, intensive and enhanced supervision programs, male and female community corrections programs that include: the boot camp training center, chemical dependency treatment programs, DUI treatment facilities, Methamphetamine treatment facilities, assessment, sanction, and revocation centers, and various other diversion from prison programs. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for prerelease services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	263.00	15.00	0.00	278.00	21.00	0.00	284.00
Personal Services	13,479,826	2,078,614	0	15,558,440	2,419,800	0	15,899,626
Operating Expenses	39,504,412	10,999,748	932,118	51,436,278	15,162,805	1,214,742	55,881,959
Total Costs	\$52,984,238	\$13,078,362	\$932,118	\$66,994,718	\$17,582,605	\$1,214,742	\$71,781,585
General Fund	52,457,345	12,892,459	932,118	66,281,922	17,393,468	1,214,742	71,065,555
State/Other Special	526,893	185,903	0	712,796	189,137	0	716,030
Total Funds	\$52,984,238	\$13,078,362	\$932,118	\$66,994,718	\$17,582,605	\$1,214,742	\$71,781,585

DEPARTMENT OF CORRECTIONS-6401

ADULT COMMUNITY CORRECTIONS-02

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$843,107	\$843,107
FY 2011	\$1,073,692	\$1,073,692

PL- 201 - Probation and Parole Population Growth -

Adult Community Corrections is requesting \$843,107 in FY 2010 and \$1,073,692 in FY 2011 general fund authority to assist the department with the population growth in Probation and Parole by adding 10.00 FTE probation and parole officers, 1.00 FTE intensive supervision program officer and 3.00 FTE administrative support positions in FY 2010 and 15.00 FTE probation and parole officers, 2.00 FTE intensive supervision program officers and 3.00 FTE administrative support positions in FY 2011. The department is also requesting funding to provide additional office space for new Probation and Parole staff in Livingston, Polson, Belgrade, Missoula, Kalispell and Billings.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$59,397	\$59,397
FY 2011	\$57,367	\$57,367

PL- 202 - TSCTC Full Time Registered Nurse -

Adult Community Corrections is requesting \$59,397 in FY 2010 and \$57,367 in FY2011 of general fund authority for 1.00 FTE institutional nurse for Treasure State Correctional Training Center to meet the medical needs of the facility. This FTE in addition to an existing 0.50 FTE will provide medical coverage seven days per week and improve the ability to pass medications by qualified medical staff. Both requests were recommended by the 2005 Audit of TSCTC.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$854,038	\$854,038
FY 2011	\$854,038	\$854,038

PL- 203 - Annualize Treatment Beds -

Adult Community Corrections is requesting \$854,038 in FY 2010 and \$854,038 in FY 2011 of general fund authority to annualize the cost of existing contracted methamphetamine treatment, felony DUI, and alcohol and drug treatment beds. This reflects the difference between the contracted cost of all treatment beds in FY 2010 and FY 2011 and what was captured in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,085,995	\$2,085,995
FY 2011	\$2,085,995	\$2,085,995

PL- 204 - Annualize Prerelease Beds -

Adult Community Corrections is requesting \$2,085,995 in FY 2010 and \$2,085,995 in FY 2011 of general fund authority to annualize the cost of existing contracted prerelease beds. This reflects the difference between the contracted costs for prerelease beds in FY 2010 and FY 2011 and what was captured in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,292,500	\$5,292,500
FY 2011	\$5,292,500	\$5,292,500

PL- 205 - Annualize Sex Offender Facility -

Adult Community Corrections is requesting \$5,292,500 in FY 2010 and \$5,292,500 in FY 2011 of general fund authority to annualize the cost of 116 sex offender treatment beds estimated to be available by late FY 2009 and authorized by the 2007 Legislature. The projected cost of these beds for FY 2010 and FY 2011 is not captured in the base budget.

DEPARTMENT OF CORRECTIONS-6401

ADULT COMMUNITY CORRECTIONS-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$978,200	\$978,200
FY 2011	\$978,200	\$978,200

PL- 206 - Annualize Northwest Prerelease -

Adult Community Corrections is requesting general fund authority in the amounts of \$978,200 in FY 2010 and \$978,200 in FY 2011 to annualize the cost of 40 prerelease beds in northwest Montana projected to be available in FY 2009. The projected costs for FY 2010 and FY 2011 are not captured in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$489,100	\$489,100

PL- 207 - Annualize Additional Prerelease Beds -

Adult Community Corrections is requesting \$489,100 general fund in FY 2011 to fund 20 additional prerelease beds in a yet to be determined location. This request completes the department's projected bed needs in community corrections for the 2011 biennium. It is the goal of the department that these beds assist Native American offenders in community re-entry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$34,008	\$34,008
FY 2011	\$34,008	\$34,008

PL- 210 - TSCTC Overtime -

Adult Community Corrections is requesting \$34,008 in FY 2010 and \$34,008 in FY 2011 for overtime expenses, which are zero based, for the Treasure State Correctional Training Center to cover all shifts and posts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$35,573	\$0
FY 2011	\$38,807	\$0

PL- 211 - Spending Authority for GPS Monitoring -

Adult Community Corrections is requesting \$35,573 in FY 2010 and \$38,807 in FY 2011 in state special spending authority for money collected for GPS monitoring services. Section 46-23-1010, MCA, requires Level III sexual offenders to pay for required GPS monitoring services. This proposal will enable the department to collect fees from offenders to offset the costs of contracted GPS Monitoring of Level III sexual offenders in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$0
FY 2011	\$150,000	\$0

PL- 212 - Spending Authority for Supervision Fees -

Adult Community Corrections is requesting an additional \$150,000 in FY 2010 and \$150,000 in FY 2011 in state special spending authority for supervision fees to enable the community corrections division to offset the costs related to safety and training for probation and parole staff.

DEPARTMENT OF CORRECTIONS-6401

ADULT COMMUNITY CORRECTIONS-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$963,600	\$963,600

PL- 214 - Great Falls PRC Additional Beds -

Adult Community Corrections is requesting \$963,600 in FY 2011 for 33 beds that would serve mentally ill offenders and aging/disabled offenders as they transition from secure custody to community placements. These beds also will be utilized as an alternative placement from prison for DOC committed offenders with these special needs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$1,169,460	\$1,169,460

PL- 215 - Additional WATCH Beds -

Adult Community Corrections is requesting \$1,169,460 in FY 2011 for the expansion of WATCH West by 40 beds in FY 2011 to a capacity of 148 beds. This request also expands WATCH East by 10 beds in FY 2011 to a capacity of 50 beds. The WATCH program provides the department with an additional bed placement and treatment options as an alternative to prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$930,750	\$930,750
FY 2011	\$930,750	\$930,750

PL- 216 - Additional START Beds -

Adult Community Corrections is requesting \$930,750 in FY 2010 and \$930,750 in FY 2011 to increase START beds by 30 in FY 2010 and FY 2011. This facility provides sanction, treatment, assessment, revocation, and transition services to offenders who have been in community placement and have either been revoked for technical violations or sanctioned by a probation and parole hearings officer and would otherwise go to prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$1,569,500	\$1,569,500

PL- 218 - Additional Connections Corrections Beds -

Adult Community Corrections is requesting \$1,569,500 in FY 2011 to expand the Connections Corrections alcohol and drug treatment program by 50 beds in FY 2011. These beds will accommodate the projected population growth for the number of offenders required to complete the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$273,340	\$273,340
FY 2011	\$273,340	\$273,340

PL- 220 - Annualize MASC -

Adult Community Corrections is requesting \$273,340 general fund each fiscal year of the biennium to annualize the cost of existing contracted beds at the Missoula Assessment and Sanction Center. This reflects the difference between the estimated contracted cost for beds in the upcoming biennium and what was captured in the base budget.

**DEPARTMENT OF CORRECTIONS-6401
ADULT COMMUNITY CORRECTIONS-02**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$429,493	\$429,493
FY 2011	\$429,493	\$429,493

NP- 208 - Annualize Mental Health Meds and Services -

Adult Community Corrections is requesting \$429,493 in FY 2010 and FY \$429,493 in FY 2011 to annualize the projected cost of mental health medications and services in FY 2010 and FY 2011 for offenders released from prison to a community corrections facility or to probation or parole. In FY 2008, this funding was a budget transfer from DPHHS and all of the budget was not captured in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$110,000	\$110,000
FY 2011	\$0	\$0

NP- 209 - Watch East Repairs – (Bien/OTO) -

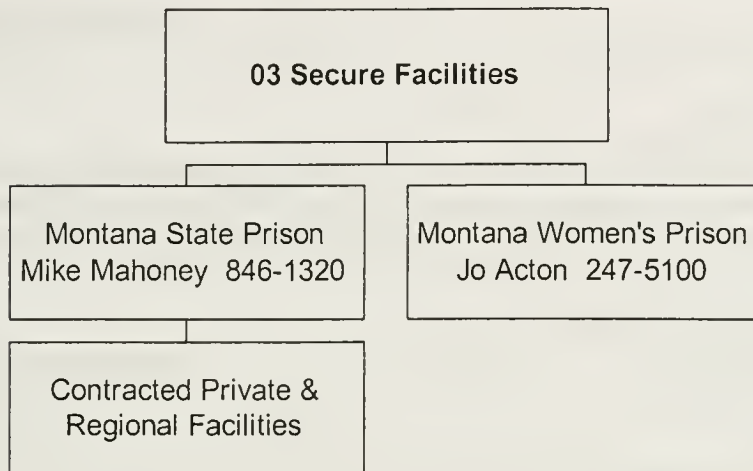
The department is requesting \$110,000 one time only biennial appropriation in order to make needed repairs to the Watch East facility in Glendive, MT. The building is a state owned building and the state is contractually obligated to maintain and repair the building.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$392,625	\$392,625
FY 2011	\$785,249	\$785,249

NP- 219 - Pre-Release/Treatment Prog Per Diem Rate Increase -

Adult Community Corrections is requesting \$392,625 in FY 2010 and \$785,249 in FY 2011 to fund a provider rate increase of 1% in the first year and 2% in the second year over base year rates.

DEPARTMENT OF CORRECTIONS-6401 SECURE CUSTODY FACILITIES-03



Program Description - The Secure Facilities Program includes the Montana State Prison, Montana Women's Prison, and contract bed facilities which include: Dawson County Correctional Facility, Cascade County Regional Prison, and Crossroads Correctional Center in Shelby. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	652.54	58.00	0.00	710.54	58.00	0.00	710.54
Personal Services	33,621,907	4,236,116	0	37,858,023	4,370,831	0	37,992,738
Operating Expenses	32,269,566	5,000,875	693,621	37,964,062	7,071,246	763,421	40,104,233
Equipment & Intangible Assets	207,507	0	0	207,507	0	0	207,507
Total Costs	\$66,098,980	\$9,236,991	\$693,621	\$76,029,592	\$11,442,077	\$763,421	\$78,304,478
General Fund	65,960,172	9,116,991	652,193	75,729,356	11,322,077	721,993	78,004,242
State/Other Special	100,000	120,000	41,428	261,428	120,000	41,428	261,428
Federal Special	38,808	0	0	38,808	0	0	38,808
Total Funds	\$66,098,980	\$9,236,991	\$693,621	\$76,029,592	\$11,442,077	\$763,421	\$78,304,478

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$34,771	\$34,771
FY 2011	\$23,243	\$23,243

PL- 302 - MSP Shift Relief Additional FTE -

Montana State Prison is a 24 x 7 facility that requires the department to maintain a shift relief factor in order to fill all posts on 3 shifts. The department has also offset some of the costs with reducing overtime. A portion of the overtime costs should be made up with the additional 12.00 FTE. The estimated actual increased costs to the department will be \$34,771 for FY 2010 and \$23,243 for FY 2011.

DEPARTMENT OF CORRECTIONS-6401

SECURE CUSTODY FACILITIES-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$98,533	\$98,533
FY 2011	\$93,546	\$93,546

PL- 303 - Mental Health Contract Conversion -

Montana State Prison has contracted for mental health services with Western Montana Mental Health Center. The contractor has since canceled their contract and left the facility without the mental health services. DOC is requesting 6.00 FTE to replace the contract. DOC is offsetting its mental health positions with the base budget of the terminated contract. The estimated actual increased cost is \$98,533 for FY 2010 is \$93,546 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,771,993	\$1,771,993
FY 2011	\$1,771,993	\$1,771,993

PL- 306 - MSP - Overtime Zero Based -

This request is for staff overtime which is a zero based category. This general fund request includes overtime and holidays worked. The cost of this request is \$1,771,993 for FY 2010 and \$1,771,993 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$302,400	\$202,400
FY 2011	\$302,400	\$202,400

PL- 308 - MSP Inmate Pay Zero Based -

Inmate work and education assignments are a major part of facility security and rehabilitation. MSP provides inmate work assignments in maintenance, food service, infirmary, recreation, housing unit, school, and education to approximately 660 inmates. Inmate pay is a zero-based budgeted item. The cost of this request is \$302,400 for FY 2010 and \$302,400 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,000	\$
FY 2011	\$20,000	\$

PL- 309 - MSP - Fines and Fees - Added Spending Authority -

This request is for spending authority for the fines and fees that are collected from inmate disciplinary sanctions. This is state special authority only. The department uses the funds to cover the costs of damaged items and replacement items. The authority request is \$20,000 for FY 2010 and \$20,000 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,115,370	\$4,115,370
FY 2011	\$5,328,630	\$5,328,630

PL- 311 - Contract Beds - Annualization -

This request is to annualize the cost of existing contracted secure beds. This reflects the difference between the estimated contracted costs for secure facility beds in FY 2010 and FY 2011 and what was captured in the base budget. The department estimates a cost of \$4,115,370 for FY 2010 and \$5,328,630 for FY 2011 general fund.

DEPARTMENT OF CORRECTIONS-6401

SECURE CUSTODY FACILITIES-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$838,255	\$838,255

PL- 312 - Contract Beds - Population Growth -

The executive is recommending additional funding needed to cover the anticipated growth in secure care population. There will be no increase for FY 2010 and \$838,255 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,416,488	\$2,416,488
FY 2011	\$2,418,195	\$2,418,195

PL- 314 - Work Dorm Expansion -

In November of 2008, the expansion of the MSP Work Dorm will be completed for the housing of up to an additional 108 inmates. The operating costs and FTE associated with this expansion are not in the FY 2008 base budget as the construction was ongoing during the base year. This request is for a full fiscal year of operating costs and for the required 34.00 FTE. The cost for this request is \$2,416,488 for FY 2010 and \$2,418,195 for FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$218,427	\$218,427
FY 2011	\$218,720	\$218,720

PL- 315 - MWP Correctional Counselors -

Montana Women's Prison is requesting 6.00 FTE correctional counselors in the amount of \$218,427 for FY 2010 and \$218,720 for FY 2011. This is to provide the appropriate shift relief factor in running a 24x7x365 facility. For safety and security purposes, Montana Women's Prison must have a proper relief factor. This request is partially offset by a decrease in the amount of overtime budget that would otherwise be required.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$270,688	\$270,688
FY 2011	\$270,688	\$270,688

PL- 316 - MWP Overtime - Zero Based -

Montana Women's Prison is requesting funding for overtime and holiday work time in the amount of \$270,688 for each year of the biennium. This request is necessary because overtime is zero based and coverage is required 24x7x365 for each post.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,090	\$47,090
FY 2011	\$47,090	\$47,090

PL- 317 - MWP Inmate Pay - Zero Based -

Montana Women's Prison is requesting funding for inmate pay in the amount of \$47,090 for each year of the biennium. Inmate work and education assignments are a major part of facility security and rehabilitation. This request is necessary because inmate pay is a zero-based budgeted item.

DEPARTMENT OF CORRECTIONS-6401 SECURE CUSTODY FACILITIES-03

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$243,821	\$202,393
FY 2011	\$243,821	\$202,393

NP- 301 - MSP Staff Transportation -

This general fund request of \$202,393 per year will continue funding for MSP staff transportation. This was one time only funded in the 2007 session.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$50,000
FY 2011	\$0	\$0

NP- 304 - MSP Equipment - OTO -

The department is requesting \$50,000 one time only general fund authority in FY 2010 for Montana State Prison equipment needs. This funding will be used to upgrade the food ports at Montana State Prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$65,000	\$65,000
FY 2011	\$0	\$0

NP- 305 - MSP Video Equipment – (Bien/OTO) -

The department is requesting a one time only biennial general fund appropriation of \$65,000 for MSP security equipment. This request is for 6 video cameras for the high side staff and inmate traffic areas at MSP, with recording capabilities and corresponding monitors for each. Also, this request would fund the installation of the Morse Watchman rounds system in 7 housing units.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$259,800	\$259,800
FY 2011	\$519,600	\$519,600

NP- 313 - Contract Beds Per Diem Increase -

Contract Beds is requesting to provide a general fund increase of 1% in FY 2010 and 2% in FY 2011 for per diem rate increases for inmate beds in the contract facilities. The department is required by law to reimburse regional prison per diem based on actual costs, this rate is estimated to increase 2% per year and is reflected in this budget request. The estimated cost for this request is \$259,800 for FY 2010 and \$519,600 for FY 2011.

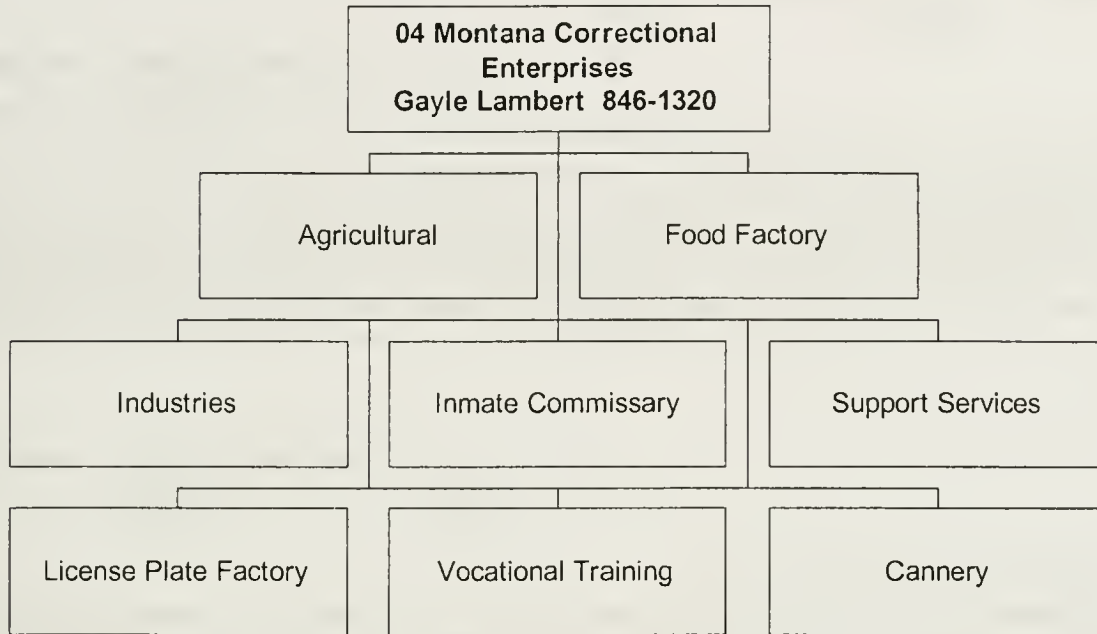
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$75,000	\$75,000
FY 2011	\$0	\$0

NP- 318 - MWP Maintenance and Supplies - OTO -

The department is requesting biennial authority of \$75,000 for Montana Women's Prison building maintenance. Montana Women's Prison has an obligation to the offenders, the public, staff and victims to maintain a secure safe environment in which to house the offenders. This will require repairing, and maintaining the current facility equipment, materials supplies to provide the most effective method to manage areas in the facility.

DEPARTMENT OF CORRECTIONS-6401 MONT CORRECTIONAL ENTERPRISES-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 400 offenders with minimal general fund support. MCE programs allow offenders to gain valuable knowledge, life skills, and work experience, helping them to transition back into society.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.25	0.00	1.00	20.25	0.00	1.00	20.25
Personal Services	1,003,101	155,613	44,242	1,202,956	157,939	44,282	1,205,322
Operating Expenses	2,839,075	3,502,158	82,200	6,423,433	672,100	50,000	3,561,175
Equipment & Intangible Assets	0	0	100,000	100,000	0	0	0
Total Costs	\$3,842,176	\$3,657,771	\$226,442	\$7,726,389	\$830,039	\$94,282	\$4,766,497
General Fund	2,000,669	2,943,301	198,442	5,142,412	115,569	94,282	2,210,520
State/Other Special	1,313,327	580,500	28,000	1,921,827	580,500	0	1,893,827
Federal Special	88,385	0	0	88,385	0	0	88,385
Proprietary	439,795	133,970	0	573,765	133,970	0	573,765
Total Funds	\$3,842,176	\$3,657,771	\$226,442	\$7,726,389	\$830,039	\$94,282	\$4,766,497

DEPARTMENT OF CORRECTIONS-6401 MONT CORRECTIONAL ENTERPRISES-04

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,858,599	\$2,858,599
FY 2011	\$27,709	\$27,709

PL- 402 - License Plate Renewal - HB 2 - OTO -

Section 61-3-332, MCA, states that new license plates will be issued January 1, 2010 and every four years thereafter. This request of \$2,886,308 general fund for the biennium is to comply with the statute. The request is based on the production of 1.6 million plates over the biennium. This figure represents only the number of plates to be produced for the reissue. The base budget covers all other plate production for general issue, organizational, permanent, college and university, and small plates. The expenditures are offset by the general fund revenue generated by the sale of the plates to the public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$155,500	\$69,000
FY 2011	\$155,500	\$69,000

PL- 404 - Overtime and Inmate Payroll - HB 2 -

Overtime and Inmate Payroll are both zero based expenditures. This request is for inmate pay associated with the Vocational Education program, License Plate Factory and the Canteen operations. The request is for \$155,500 per fiscal year with \$69,000 of that being general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$650,000	\$0
FY 2011	\$650,000	\$0

PL- 406 - Added Authority-Canteen-SSR, Voc Ed-ISF - HB 2 -

This request is for additional appropriation authority for the Vocational Education Program and the Canteen operations. The Vocational Education Internal Service Fund operation has seen an increased cost of parts purchased for the repair on customer vehicles. Additional authority in the amount of \$100,000 is being requested in each fiscal year. The Canteen State Special Revenue Fund will be providing canteen products for the Shelby Private Prison and the two regional prisons in addition to the facilities that are already being serviced. Additional authority in the amount of \$550,000 each year of the biennium will be needed to increase the inventory in the canteen and to cover additional operating costs of the expanded building and larger customer base. For both operations, expenditures will be made only as economically feasible and cash flow and customer revenue permits.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$28,000	\$0
FY 2011	\$0	\$0

NP- 406 - Canteen - OTO -

The Montana Correctional Enterprises program is requesting one time only state special revenue funds for equipment including a used forklift (\$20,000), and upgrade of the current gator/utility vehicle for deliveries (\$8,000) for the MCE Canteen warehouse.

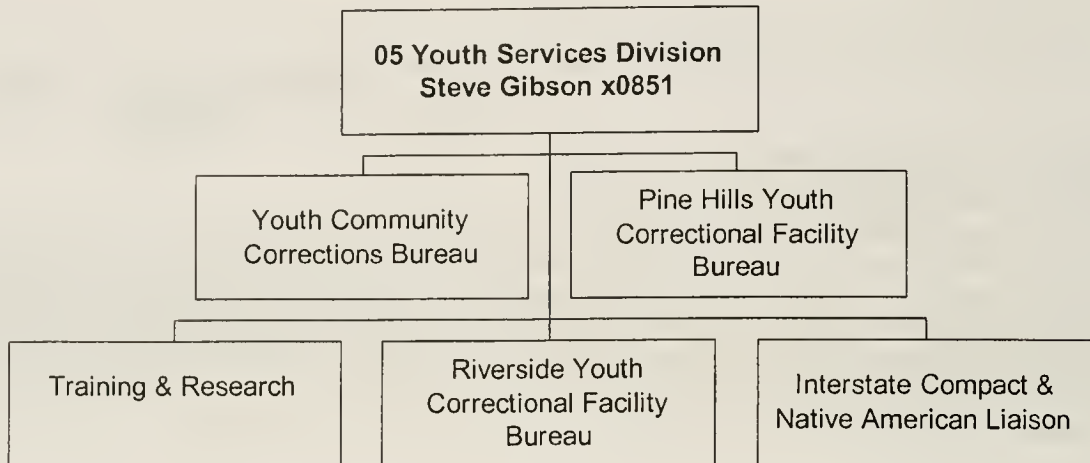
**DEPARTMENT OF CORRECTIONS-6401
MONT CORRECTIONAL ENTERPRISES-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$198,442	\$198,442
FY 2011	\$94,282	\$94,282

NP- 409 - Produce Farming Program - HB 2 -

This request is for funding needed to start a produce farming operation on the Montana Correctional Enterprise (MCE) Ranch land. MCE will utilize approximately 10 acres of farm cropland to begin the produce farming operation, and will increase acreage as feasible. Operations will involve produce planted in existing crop land, potential use of small scale greenhouses, and processing of the food products through the Food Bank canning program run by MCE. This funding request will allow for purchase of needed farming equipment for the produce operation, supplies and seed plants, and 1.00 FTE to oversee operations.

DEPARTMENT OF CORRECTIONS-6401 YOUTH SERVICES-05



Program Description - The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, reentry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training, and administrative support services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	210.85	0.00	2.00	212.85	0.00	2.00	212.85
Personal Services	10,738,240	638,111	113,291	11,489,642	676,918	113,418	11,528,576
Operating Expenses	2,111,752	60,670	847,943	3,020,365	69,130	697,943	2,878,825
Benefits & Claims	4,175,855	0	0	4,175,855	0	0	4,175,855
Transfers	2,124,917	0	0	2,124,917	0	0	2,124,917
Total Costs	\$19,150,764	\$698,781	\$961,234	\$20,810,779	\$746,048	\$811,361	\$20,708,173
General Fund	18,297,444	698,781	961,234	19,957,459	746,048	811,361	19,854,853
State/Other Special	846,365	0	0	846,365	0	0	846,365
Federal Special	6,955	0	0	6,955	0	0	6,955
Total Funds	\$19,150,764	\$698,781	\$961,234	\$20,810,779	\$746,048	\$811,361	\$20,708,173

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$326,835	\$326,835
FY 2011	\$326,835	\$326,835

PL- 502 - Youth Services Division Overtime - Zero Based -

Pine Hills Youth Correctional Facility, Riverside Correctional Facility and Youth Transition Center operate around the clock and must have correctional officers on duty at the required staffing level every day of the year. This request is for \$326,835 general fund each year of the biennium. Overtime funding is required to cover vacations, holidays and mandatory training absences. Overtime is a zero-based budget item.

DEPARTMENT OF CORRECTIONS-6401

YOUTH SERVICES-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,554	\$38,554
FY 2011	\$38,554	\$38,554

PL- 503 - Youth Services Division Inmate Pay - Zero Based -

Youth Services Division is requesting funding for inmate pay which is a zero based item. The funds are used to pay victims restitution for acts committed by youth. Youth are given an opportunity to learn about the consequences of their actions and given the ability to repay victims for some of the damages through their labor and monies earned. This request is for \$38,554 general fund for each year of the biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$811,234	\$811,234
FY 2011	\$811,361	\$811,361

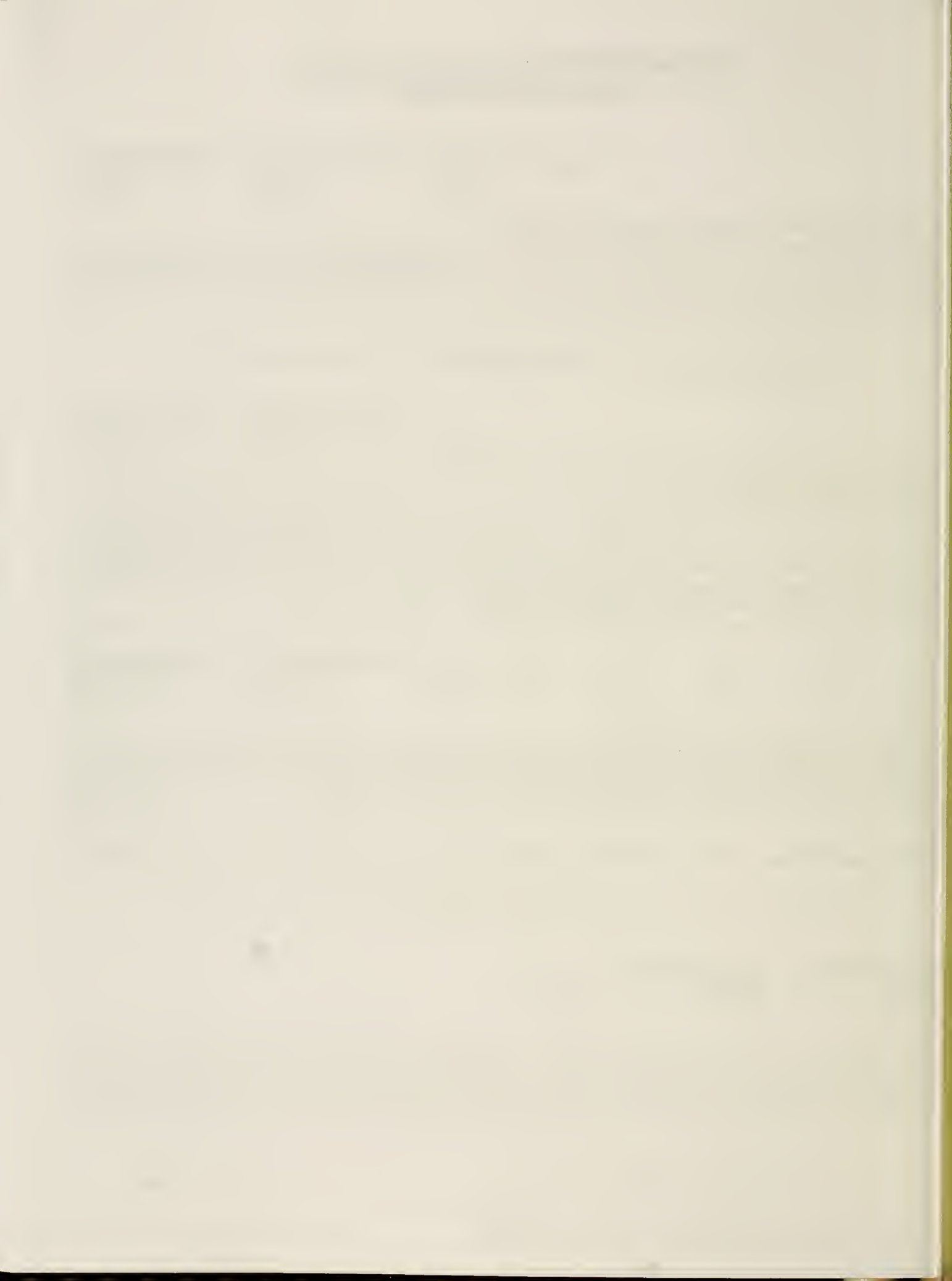
NP- 501 - Juvenile Re-Entry -

Youth Services Division is requesting funding to continue the Juvenile Re-Entry program which is a community based program for youth released from secure facilities. Components include housing, mentoring services, faith based, and health related services. This program was federally funded from 2003 to 2007. This program was inadvertently funded as OTO general funding during the last session. Re-Entry programs provide a reduction in secure care by reducing recidivism rates. This results in an overall saving to the department. This request includes 2.00 FTE and funding of approximately \$811,000 general fund for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$150,000
FY 2011	\$0	\$0

NP- 506 - Riverside Repairs - (Bien/OTO) -

The department is requesting \$150,000 in one time only biennial general fund authority to make repairs to Riverside Youth Correctional Facility in Boulder, MT. This funding will be used to replace windows for energy efficiency, update and relocate offices and make needed repairs to the bathrooms to make facility ADA compliant.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION E: EDUCATION

Office of Public Instruction
Board of Public Education
School for the Deaf & Blind
Montana Arts Council
Montana State Library
Montana Historical Society

Commissioner of Higher Education
Montana University System (MUS)
Educational Units
Community Colleges
Bureau of Mines & Geology
Agricultural Experiment Station
Cooperative Extension Service
Forestry Experiment Station
Fire Services Training School

OBPP Staff:

Nancy Hall	x 4899
Suzan Scott	x 4895
Ryan Evans	x 3163

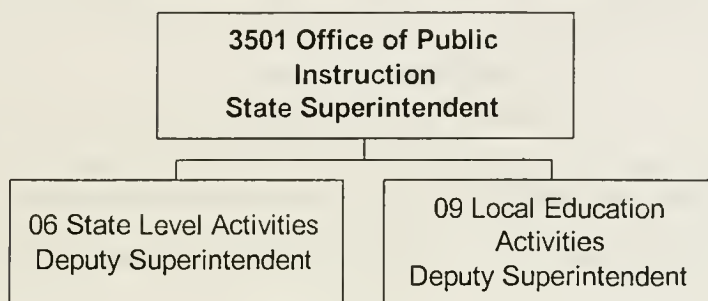


GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



OFFICE OF PUBLIC INSTRUCTION-3501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve.

Statutory Authority - Title 20, MCA

Language - "The Office of Public Instruction may distribute funds from the appropriation for instate treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

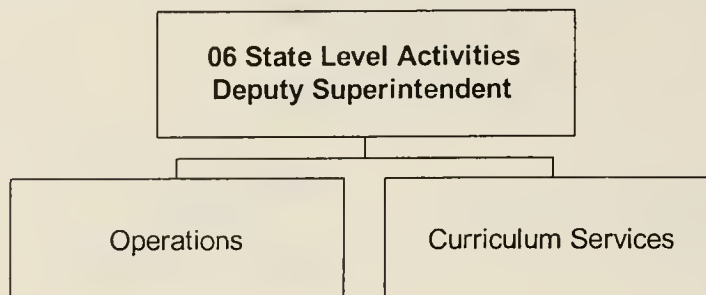
"All revenue up to \$1.1 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5."

"All appropriations for federal special revenue programs in state level activities and in local education activities, and all general fund appropriations in local educational activities are biennial."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	157.36	8.50	0.00	165.86	8.50	0.00	165.86
Personal Services	9,072,595	1,354,616	0	10,427,211	1,384,803	0	10,457,398
Operating Expenses	13,490,967	991,552	456,901	14,939,420	1,315,715	1,005,984	15,812,666
Equipment & Intangible Assets	50,426	0	0	50,426	0	0	50,426
Local Assistance	634,042,814	32,381,231	7,028,649	673,452,694	47,210,730	10,271,906	691,525,450
Grants	126,371,496	8,932,948	100,000	135,404,444	11,757,948	100,000	138,229,444
Total Costs	\$783,028,298	\$43,660,347	\$7,585,550	\$834,274,195	\$61,669,196	\$11,377,890	\$856,075,384
General Fund	642,761,421	33,037,427	7,585,550	683,384,398	47,929,712	11,377,890	702,069,023
State/Other Special	957,495	12,707	0	970,202	12,770	0	970,265
Federal Special	139,309,382	10,610,213	0	149,919,595	13,726,714	0	153,036,096
Total Funds	\$783,028,298	\$43,660,347	\$7,585,550	\$834,274,195	\$61,669,196	\$11,377,890	\$856,075,384

OFFICE OF PUBLIC INSTRUCTION-3501 STATE LEVEL ACTIVITIES-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Level Activities program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing statutorily prescribed duties. The program: 1) supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board; 2) is responsible for the distribution and accounting of state and federal funds provided to school districts; 3) maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including: 1) curriculum assistance; 2) special education; 3) ESEA/NCLB administration; 4) secondary vocational education administration; and 5) other educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	157.36	8.50	0.00	165.86	8.50	0.00	165.86
Personal Services	9,072,595	1,354,616	0	10,427,211	1,384,803	0	10,457,398
Operating Expenses	13,490,967	991,552	456,901	14,939,420	1,315,715	1,005,984	15,812,666
Equipment & Intangible Assets	50,426	0	0	50,426	0	0	50,426
Local Assistance	503,530	0	0	503,530	0	0	503,530
Total Costs	\$23,117,518	\$2,346,168	\$456,901	\$25,920,587	\$2,700,518	\$1,005,984	\$26,824,020
General Fund	9,200,157	653,176	456,901	10,310,234	715,962	1,005,984	10,922,103
State/Other Special	207,495	12,707	0	220,202	12,770	0	220,265
Federal Special	13,709,866	1,680,285	0	15,390,151	1,971,786	0	15,681,652
Proprietary	0	0	0	0	0	0	0
Total Funds	\$23,117,518	\$2,346,168	\$456,901	\$25,920,587	\$2,700,518	\$1,005,984	\$26,824,020

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$21,998	\$21,998
FY 2011	\$33,485	\$33,485

PL- 7 - Audiological Services -

Services for children with hearing impairments require timely and appropriate assessments of their hearing deficits. The Hearing Conservation Program (HCP) is critical to the success of children with hearing impairments. A present law adjustment is necessary to ensure the continuation of the services at 6.09% for FY 2010 and 9.27% in FY 2011 over the base in FY 2008.

OFFICE OF PUBLIC INSTRUCTION-3501

STATE LEVEL ACTIVITIES-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,000	\$0
FY 2011	\$12,000	\$0

PL- 14 - Traffic Education Budget Adjustment -

An increase in administrative operating funds of \$12,000 per year for the 2011 biennium is needed to maintain present level traffic education service to public schools and to eliminate nonrecurring appropriations through personal services contingencies. Available administrative direct operating funds and purchasing power in the Traffic Education (TE) Administration account have eroded over the past several biennia.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$147,144	\$78,382
FY 2011	\$156,781	\$84,670

PL- 15 - Indirect Cost of Base Adjustments -

The legislature adds appropriation authority for the indirect cost portion of the general fund, state special revenue fund and federal funds statewide level base adjustments. The general fund requirement is \$163,053 over the biennium. In addition to providing central services within the agency, these adjustments fund increases in statewide cost assessments for the legislative audit, SABHRS costs, a portion of the increases in rent, and others.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,123,377	\$0
FY 2011	\$1,387,784	\$0

PL- 19 - Federal Grant Award Adjustments - Program 06 -

This biennial appropriation is to adjust federal spending authority in OPI for grant awards currently administered by OPI due to anticipated increases and decreases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$1,123,377 in FY 2010 and \$1,387,784 in FY 2011. This request is a biennial appropriation.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 26 - Student Assessment -

This request transfers an appropriation of \$325,000 previously appropriated for the norm-reference test (NRT) student assessment. The NRT, formerly in administrative rules of the Board of Public Education for the accreditation of schools, is no longer required. These funds will be dedicated to support the cost incurred for students in their junior year in high school to take a national, curriculum-based college entrance examine. Consistency in high school assessments facilitates the state's ability to better understand high school course taking patterns to align high school graduation requirements with college admission requirements and reduce the need for remedial course taking in college.

OFFICE OF PUBLIC INSTRUCTION-3501

STATE LEVEL ACTIVITIES-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,901	\$6,901
FY 2011	\$5,984	\$5,984

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$6,901 in FY 2010 and \$5,984 in FY 2011 general fund for the Office of Public Instruction allocation of the fixed cost.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$450,000	\$450,000
FY 2011	\$1,000,000	\$1,000,000

NP- 21 - 21st Century E-learning - MT Virtual High School -

This request for \$1.45 million in the 2011 biennium is to provide pass-through funding to establish a year-round virtual high school in the University of Montana (UM) School of Education. The virtual high school will provide distance learning courses to increase access for all students in Montana to support quality schools to provide core courses for accreditation, accelerated learning classes, and credit recovery to improve graduation rates. In the first year, the UM guided by and advisory council, will conduct a needs assessment and build curriculum based on the results of the assessment. In the second year, Montana certified quality educators will be hired to deliver e-courses to students who remain enrolled in their local school districts. In addition, the virtual high school will serve as a source to integrate e learning in Montana's teacher preparation programs.

OFFICE OF PUBLIC INSTRUCTION-3501 LOCAL EDUCATION ACTIVITIES-09

**09 Local Education Activities
Deputy Superintendent**

Program Description - The Local Education Activities program is used by OPI to distribute various state and federal funds to local education agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	633,539,284	32,381,231	7,028,649	672,949,164	47,210,730	10,271,906	691,021,920
Grants	126,371,496	8,932,948	100,000	135,404,444	11,757,948	100,000	138,229,444
Total Costs	\$759,910,780	\$41,314,179	\$7,128,649	\$808,353,608	\$58,968,678	\$10,371,906	\$829,251,364
General Fund	633,561,264	32,384,251	7,128,649	673,074,164	47,213,750	10,371,906	691,146,920
State/Other Special	750,000	0	0	750,000	0	0	750,000
Federal Special	125,599,516	8,929,928	0	134,529,444	11,754,928	0	137,354,444
Total Funds	\$759,910,780	\$41,314,179	\$7,128,649	\$808,353,608	\$58,968,678	\$10,371,906	\$829,251,364

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,582,635	\$26,582,635
FY 2011	\$41,947,779	\$41,947,779

PL- 1 - K-12 BASE Aid - Present Law -

This request is for \$68.53 million for the present law adjustment of K-12 BASE Aid in the 2011 biennium. Of this total, \$16.5 million is to bring the FY 2008 expenditure base up to the FY 2009 funding rates. The remaining \$52.03 million is to increase the basic and per-ANB entitlements by 3% each year in accordance with 20-9-326, MCA, which requires annual inflation-related adjustments to the basic and per-ANB entitlements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,233,764	\$1,233,764
FY 2011	\$1,233,764	\$1,233,764

PL- 2 - Special Education-Maintain Fiscal Effort -

Federal special education law requires each state that receives Individuals with Disabilities Education Act Part B funds to maintain their fiscal effort from year to year. The Office of Public Instruction requests \$1,233,764 for each year of the 2011 biennium to maintain fiscal effort.

OFFICE OF PUBLIC INSTRUCTION-3501

LOCAL EDUCATION ACTIVITIES-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$300,000	\$300,000

PL- 4 - Pupil Transportation - PL -

The present law adjustment requested for pupil transportation for the formula-driven state appropriation increases by \$200,000 in FY 2010 and \$300,000 in FY 2011 over base year FY 2008. This amount is matched by county property taxes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$777,830	\$777,830
FY 2011	\$1,171,185	\$1,171,185

PL- 10 - School Block Grants - HB 124 -

State law (20-9-630 and 632, MCA) provides for an annual 0.76% increase in the county transportation and school district block grants. The FY 2008 base is \$50,979,326. This is a request for a biennial appropriation increase of \$777,830 in FY 2010 and \$1,171,185 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$775,000	\$775,000
FY 2011	\$775,000	\$775,000

PL- 11 - School Facilities Reimbursement -

Montana promotes safe school facilities and a measure of taxpayer fairness by providing school facilities reimbursement payments to low-wealth school districts with general obligation bonds. State payments are calculated using statutory formulas. Each year new districts may become eligible for these payments. HB 2 appropriated \$21,018,074 (biennial for of the 2009 biennium. This request is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$319,024	\$319,024
FY 2011	\$319,024	\$319,024

PL- 18 - Biennial Appropriations - Program 09 -

This present law adjustment establishes biennial appropriations in each year at half of the amount appropriated for the 2009 biennium. The biennial appropriations include: Instate treatment base adjusted \$187,096 per year to \$974,896 per year; adult basic education base adjusted \$2 per year to \$525,000 per year; gifted and talented base adjusted \$3,011 per year to \$500,000 per year; and state tuition base adjusted \$128,908 per year to \$606,138 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,929,928	\$8,929,928
FY 2011	\$11,754,928	\$11,754,928

PL- 20 - Federal Grant Award Adjustment - Program 09 -

This biennial appropriation is to adjust federal spending authority in OPI Program 09 - Local Education Activities for anticipated increases and decreases in federal funding. These funds are distributed by OPI to school districts and other local education agencies. The adjustment is \$8,929,928 in FY 2010 and \$11,547,928 in FY 2011.

OFFICE OF PUBLIC INSTRUCTION-3501

LOCAL EDUCATION ACTIVITIES-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,495,998	\$2,495,998
FY 2011	\$1,466,998	\$1,466,998

PL- 100 - Guarantee Account Adjustment -

This request reflects an adjustment to FY 2008 base in the guarantee account and increases general fund expenditure in the amount of \$2.5 million in FY 2010 and \$1.5 million in FY 2011. The guarantee account is a state special revenue account statutorily appropriated primarily for distribution to school districts through school equalization aid.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$150,000
FY 2011	\$0	\$0

NP- 3 - School Foods Equip/Facility Mini Grants-Bien/OTO -

One-time-only funds are requested to make competitive grants available for schools to provide more or improved breakfast or lunch programs. Total request is for \$150,000 for at least 30 schools to be granted up to \$5,000 each to improve facilities and/or update equipment. This request is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,500,649	\$1,500,649
FY 2011	\$3,044,906	\$3,044,906

NP- 5 - Special Education Inflation -

The budget includes an inflationary increase in the state appropriation for special education of \$4.5 million for the 2011 biennium based on the same inflationary adjustment included for basic and per ANB entitlements section 20-9-326, MCA. The inflator for each year of the biennium is 3%. This proposal would increase the state special education appropriation to \$41.647 million in FY 2010 and \$42.897 million in FY 2011. The estimates of increased GTB costs associated with the state special education appropriation are \$251,229 in FY2010 and \$508,584 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,300,000	\$1,300,000
FY 2011	\$2,600,000	\$2,600,000

NP- 28 - Quality Educator Payment -

This request reflects an increase in the quality educator payment of \$100 per year at a cost of \$1.3 million in FY 2010 and \$2.6 million in FY 2011. The quality educator payment distributes funding to schools for licensed professionals per 20-9-327, MCA. This request increases the quality educator payment to \$3,142 per qualified FTE in FY 2010 and \$3,242 per qualified FTE in FY 2011.

OFFICE OF PUBLIC INSTRUCTION-3501

LOCAL EDUCATION ACTIVITIES-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

NP- 99 - Quality Schools Resource Sharing -

This request will appropriate \$100,000 each year of the 2011 biennium for OPI to establish Quality Schools Resource Sharing structure and provide grants for increased efficiencies of cooperative decision making. Cooperation and sharing among school districts can multiply resources, provide more and enhanced education experiences for students, and also help reduce the pressure on local property taxes. Special Education Cooperatives are already using this model in varying ways to include a wide range of services including teacher and administrator sharing and cooperative purchases. Montana's 427 school districts, comprising about 830 schools, could benefit from continued emphasis on this model to leverage school resources to reduce operating costs, while maintaining the ability for local decision making.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,078,000	\$4,078,000
FY 2011	\$4,627,000	\$4,627,000

NP- 101 - Quality School Facility Program -

This decision package removes revenue available for Base Aid from trust land leases for navigable waters and sets it aside for the Quality School Facility Program. This program will help schools in Montana address facility deficiencies and improve access to technology. The School Facility Study was completed with appropriations from HB 1, Legislative Special Session 2005. This new program will be managed by the Department of Commerce and operate similar to the current Treasure State Endowment Program. Ongoing funding streams for this purpose will be the navigable waters funds and funds from timber revenues for the amount exceeding 18 million board feet. This request transfers \$14.3 million in the 2011 biennium for school facilities and technology. Note that the remaining \$5.6 million is a recommended change in the current statutory distribution of funds and does not affect HB2.

BOARD OF PUBLIC EDUCATION-5101 ADMINISTRATION-01

5101 Board of Public
Education
Steve Meloy x0300

01 K-12 Education

Mission Statement - The Board of Public Education shall carry out its constitutional and statutory responsibility in an exemplary manner to exercise general supervision over the public school system and other such public educational institutions as may be assigned by law. In doing so, the board will cooperate with the Governor and other elected officials, the Board of Regents, Superintendent of Public Instruction, local school boards, the education community and all Montana citizens, including its students.

Statutory Authority - Article X, Section 9, Montana Constitution; 2-15-1507 and 2-15-1522, MCA.

Program Description - The staff of the administration program provides administration, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	266,842	28,164	0	295,006	28,215	0	295,057
Operating Expenses	109,214	(1,391)	8,930	116,753	(1,133)	10,751	118,832
Total Costs	\$376,056	\$26,773	\$8,930	\$411,759	\$27,082	\$10,751	\$413,889
General Fund	209,990	10,287	5,433	225,710	11,013	7,254	228,257
State/Other Special	166,066	16,486	3,497	186,049	16,069	3,497	185,632
Total Funds	\$376,056	\$26,773	\$8,930	\$411,759	\$27,082	\$10,751	\$413,889

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,300	\$1,300
FY 2011	\$1,300	\$1,300

PL- 2 - Per Diem -

This request restores zero-based per diem of \$1,300 general fund each year. Board members are paid per diem in accordance with state law.

BOARD OF PUBLIC EDUCATION-5101 ADMINISTRATION-01

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,799	\$1,799
FY 2011	\$3,638	\$3,638

NP- 1 - In-State Travel -

Non-employee in-state travel is increased by \$1,799 in FY 2010 and \$3,638 in FY 2011 in this request to accommodate greater distances traveled by Board of Public Education members from eastern Montana. Funding comes from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,994	\$3,497
FY 2011	\$6,994	\$3,497

NP- 3 - ITSD New Services -

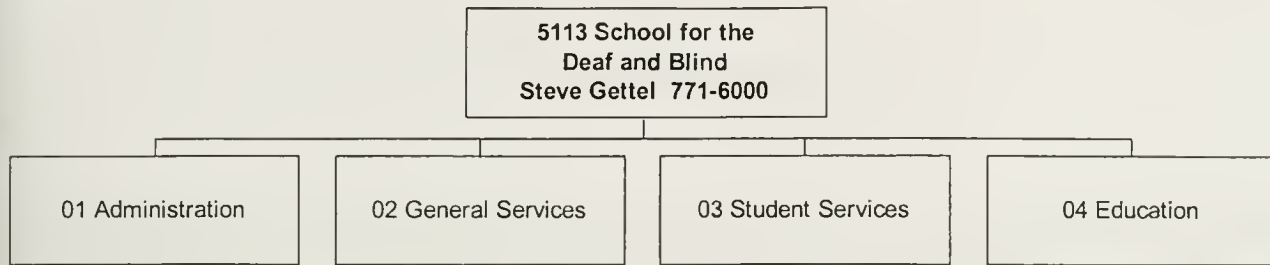
In the past, the Board of Public Education (BPE) has received network and computer services from the Office of the Commissioner of Higher Education (OCHE) as part of their rental agreement. OCHE will no longer provide those network services. Additional ITSD costs will be \$6,994 in each year of the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$137	\$137
FY 2011	\$119	\$119

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$137 in FY 2010 and \$119 in FY 2011 general fund for the Board of Public Education allocation of the fixed costs.

SCHOOL FOR THE DEAF & BLIND-5113



Mission Statement - To provide to deaf children and blind children in the State of Montana a quality comprehensive education that will impart the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) to public schools in the state having deaf and/or blind children enrolled, and (3) to organizations and individuals concerned with the provision of services to these children.

Statutory Authority - Title 20, Chapter 8, part 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	88.61	0.00	0.00	88.61	0.00	0.00	88.61
Personal Services	4,812,010	584,774	45,233	5,442,017	591,660	45,233	5,448,903
Operating Expenses	998,606	(3,816)	71,685	1,066,475	(41,090)	71,168	1,028,684
Total Costs	\$5,810,616	\$580,958	\$116,918	\$6,508,492	\$550,570	\$116,401	\$6,477,587
General Fund	5,300,570	673,739	49,121	6,023,430	628,712	48,604	5,977,886
State/Other Special	417,370	(83,078)	67,797	402,089	(68,439)	67,797	416,728
Federal Special	92,676	(9,703)	0	82,973	(9,703)	0	82,973
Total Funds	\$5,810,616	\$580,958	\$116,918	\$6,508,492	\$550,570	\$116,401	\$6,477,587

SCHOOL FOR THE DEAF & BLIND-5113 ADMINISTRATION PROGRAM-01

01 Administration

Program Description - The Administration Program staff provide purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	321,057	7,111	0	328,168	8,070	0	329,127
Operating Expenses	149,004	18,462	3,888	171,354	(20,294)	3,371	132,081
Total Costs	\$470,061	\$25,573	\$3,888	\$499,522	(\$12,224)	\$3,371	\$461,208
General Fund	467,901	23,982	3,888	495,771	(14,003)	3,371	457,269
State/Other Special	2,160	1,591	0	3,751	1,779	0	3,939
Total Funds	\$470,061	\$25,573	\$3,888	\$499,522	(\$12,224)	\$3,371	\$461,208

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,888	\$3,888
FY 2011	\$3,371	\$3,371

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 200 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$3,888 in FY 2010 and \$3,371 in FY 2011 general fund for the School for the Deaf and Blind allocation of the fixed cost.

SCHOOL FOR THE DEAF & BLIND-5113

GENERAL SERVICES-02

02 General Services

Program Description - The General Services Program staff are responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	150,655	11,639	0	162,294	12,660	0	163,315
Operating Expenses	416,837	(38,484)	0	378,353	(39,550)	0	377,287
Total Costs	\$567,492	(\$26,845)	\$0	\$540,647	(\$26,890)	\$0	\$540,602
General Fund	567,492	(26,845)	0	540,647	(26,890)	0	540,602
Total Funds	\$567,492	(\$26,845)	\$0	\$540,647	(\$26,890)	\$0	\$540,602

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$7,000)	(\$7,000)
FY 2011	(\$7,000)	(\$7,000)

PL- 1 - Energy Conservation Bonds -

The school spent \$18,300 in the base year FY 2008 on energy conservation bonds funded through the Department of Environmental Quality (DEQ). The DEQ is charging the school \$11,300 in each year of the 2011 biennium for energy conservation bonds which is a reduction of \$7,000 from the base year. Therefore, the budget is reduced by this amount as the funding is no longer needed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$1,757)	(\$1,757)
FY 2011	(\$1,757)	(\$1,757)

PL- 2 - Operating Cost Reduction - Lease Vehicle -

MSDB is replacing a school owned van with a motor pool lease vehicle reducing operating costs in the general services program. The new lease vehicle is budgeted under the education program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$35,872)	(\$35,872)
FY 2011	(\$35,872)	(\$35,872)

PL- 8 - Correct Duplicate Budget Entry -

MSDB moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$35,872 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

SCHOOL FOR THE DEAF & BLIND-5113

STUDENT SERVICES-03

03 Student Services

Program Description - The Student Services Program provides residential care for children living at the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	1,054,888	161,346	0	1,216,234	164,833	0	1,219,721
Operating Expenses	106,900	3,167	0	110,067	4,100	0	111,000
Total Costs	\$1,161,788	\$164,513	\$0	\$1,326,301	\$168,933	\$0	\$1,330,721
General Fund	1,142,628	164,513	0	1,307,141	168,933	0	1,311,561
Federal Special	19,160	0	0	19,160	0	0	19,160
Total Funds	\$1,161,788	\$164,513	\$0	\$1,326,301	\$168,933	\$0	\$1,330,721

SCHOOL FOR THE DEAF & BLIND-5113 EDUCATION-04

04 Education

Program Description - The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	49.87	0.00	0.00	49.87	0.00	0.00	49.87
Personal Services	3,285,410	404,678	45,233	3,735,321	406,097	45,233	3,736,740
Operating Expenses	325,865	13,039	67,797	406,701	14,654	67,797	408,316
Total Costs	\$3,611,275	\$417,717	\$113,030	\$4,142,022	\$420,751	\$113,030	\$4,145,056
General Fund	3,122,549	512,089	45,233	3,679,871	500,672	45,233	3,668,454
State/Other Special	415,210	(84,669)	67,797	398,338	(70,218)	67,797	412,789
Federal Special	73,516	(9,703)	0	63,813	(9,703)	0	63,813
Total Funds	\$3,611,275	\$417,717	\$113,030	\$4,142,022	\$420,751	\$113,030	\$4,145,056

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,938	\$26,938
FY 2011	\$26,938	\$26,938

PL- 2 - Extracurricular Compensation -

The Montana School for the Deaf and Blind pays extracurricular compensation to employees who sponsor after school activities funded from the state general fund as zero-based expenditures. Amounts paid to employees are contained in a collective bargaining agreement. The school participates in volleyball, track, and boys and girls Class C basketball through a cooperative agreement with Great Falls Central Catholic High School. The remaining activities are sponsored through the MSDB. Salaries and benefits total \$26,938 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,299	\$8,299
FY 2011	\$8,425	\$8,425

PL- 3 - Motor Pool Lease Vehicle -

The school is requesting a motor pool lease vehicle to replace a school van that has high mileage. The lease vehicle will be used to transport students. total general fund cost in the 2011 biennium is \$16,724.

SCHOOL FOR THE DEAF & BLIND-5113 EDUCATION-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$11,464)	(\$11,464)
FY 2011	(\$11,464)	(\$11,464)

PL- 8 - Correct Duplicate Budget Entry -

MSDB moved personal services authority into the operating expense category in FY 2008 base year. The personal services authority was restored in the base personal services calculations and in the operating base authority. This request removes \$11,464 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$45,233	\$45,233
FY 2011	\$45,233	\$45,233

NP- 1 - Early Intervention Services -

This request provides \$45,233 general fund each year of the 2011 biennium for home-based early intervention services on a bimonthly basis to 35 families of sensory impaired children. Research has shown providing early intervention services to sensory impaired infants by six months of age and younger increases their ability to compete at age-level with their non-handicapped peers when entering educational services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$67,797	\$0
FY 2011	\$67,797	\$0

NP- 4 - Tuition Authority Increase -

This request is for authority to utilize state special tuition revenue fund balance of \$67,797 each year of the 2011 biennium. This is current fund balance from prior years collections.

MONTANA ARTS COUNCIL-5114

PROMOTION OF THE ARTS-01

5114 Montana Arts Council
Arlynn Fishbaugh x6430

01 Promotion of the Arts

Mission Statement - The Montana Arts Council is the agency of state government established to develop the creative potential of all Montanans, advance education, spur economic vibrancy and revitalize communities through involvement in the arts.

Statutory Authority - 22-2-101-109, MCA.

Program Description - The Montana Arts Council cooperates with public and private institutions engaged in artistic and cultural activities. The council cooperates with public and private institutions engaged in artistic and cultural activities. The council: 1) recommends appropriate methods to encourage participation in and appreciation of the arts; 2) fosters interest in the state's cultural heritage; 3) expands the state's cultural resources; and 4) encourages and assists freedom of artistic expression through ongoing programs and council initiated projects. The council administers the Cultural and Aesthetic Projects Advisory Committee authorized in 22-2-302, MCA. This committee reviews all proposals for cultural and aesthetic project grants and presents its recommendations to the legislature.

Language Recommendations - "All federal funds are biennial appropriations."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	506,369	28,053	0	534,422	31,794	0	538,163
Operating Expenses	322,558	12,191	40,705	375,454	(7,639)	334	315,253
Grants	420,903	0	3,880	424,783	0	9,429	430,332
Total Costs	\$1,249,830	\$40,244	\$44,585	\$1,334,659	\$24,155	\$9,763	\$1,283,748
General Fund	467,889	8,507	24,345	500,741	(1,885)	9,554	475,558
State/Other Special	204,517	8,500	5,063	218,080	7,133	55	211,705
Federal Special	577,424	23,237	15,177	615,838	18,907	154	596,485
Total Funds	\$1,249,830	\$40,244	\$44,585	\$1,334,659	\$24,155	\$9,763	\$1,283,748

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,468	\$3,873
FY 2011	\$14,839	\$4,306

PL- 5 - Present Law Adjustments -

This request for present law adjustments in the 2011 biennium includes restoration of zero-based funding for the Arts Council and its advisory committee for per diem, increased legal fees and inflationary adjustment for rent. Total biennial cost is \$25,307.

MONTANA ARTS COUNCIL-5114

PROMOTION OF THE ARTS-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$6,150)	(\$6,150)
FY 2011	(\$6,150)	(\$6,150)

PL- 7 - Remove Telephone Move Charges -

The Arts Council moved from the City-County Building into a non-state rented building in FY 2008. The move created a one-time-only charge of \$6,150 for telephone moving charges in the base budget. This request removes the one-time-only expense from the budget.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,880	\$3,880
FY 2011	\$9,429	\$9,429

NP- 1 - AISC Residencies -

The Arts Council's top funding priority is a general fund request for \$3,880 in FY 2010 and \$9,429 in FY 2011 for the Artists in Schools and Communities Grant Program (AISC). These programs fund schools and community arts organizations, especially rural Montana communities, to hire teaching artists who provide educational experiences in the arts addressing the public schools state art standards. The teaching artists also mentor classroom teachers to effectively teach the arts to students. Artists help teachers develop curriculum and lesson plans for classes and suggest ways to use the arts to teach concepts in core classes such as math, science, and reading. The agency also partners to provide professional development in the arts for classroom teachers. These funds will be matched on a 1:1 basis within the community.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,320	\$20,320
FY 2011	\$0	\$0

NP- 4 - Database and E-Grant - OTO -

The Arts Council requests OTO funding for the database and e-grants project totaling \$40,320 in the 2011 biennium. The e-grants program will be designed to fully integrate into MAC's database and produce significant simplification, streamlining, and web access for staff and grantees.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$385	\$148
FY 2011	\$334	\$128

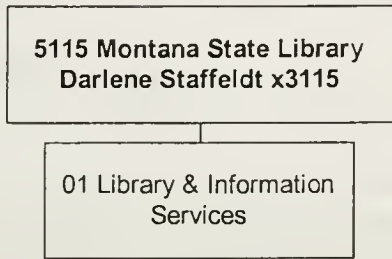
NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$385 in FY 2010 and \$334 in FY 2011 in general, state and federal funds for the Montana Arts Council's allocation of the fixed cost.

MONTANA LIBRARY COMMISSION-5115

STATEWIDE LIBRARY RESOURCES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Montana State Library meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

Statutory Authority - Title 22, Chapter 1, and Title 90, Chapter 15, MCA.

Program Description - The State Library operations program provides 1) information services to state government employees and officials; 2) assistance to all public libraries; 3) reading material for all blind and physically handicapped Montana residents; 4) direction to the six library federations and 5) a centralized depository for natural resources information. This program also administers the state documents depository system, and coordinates the development of information resources and library information systems throughout the state. The program also manages the budgetary, personnel, and administrative functions of the State Library.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	30.50	0.25	0.00	30.75	0.25	0.00	30.75
Personal Services	1,980,114	(198,274)	0	1,781,840	(194,325)	0	1,785,789
Operating Expenses	1,838,352	97,576	26,167	1,962,095	81,598	1,012	1,920,962
Equipment & Intangible Assets	17,896	828	0	18,724	1,320	0	19,216
Grants	522,135	1,004,588	0	1,526,723	404,588	0	926,723
Total Costs	\$4,358,497	\$904,718	\$26,167	\$5,289,382	\$293,181	\$1,012	\$4,652,690
General Fund	2,348,128	240,605	277,568	2,866,301	229,066	252,413	2,829,607
State/Other Special	1,054,978	200,000	(251,401)	1,003,577	200,000	(251,401)	1,003,577
Federal Special	955,391	464,113	0	1,419,504	(135,885)	0	819,506
Total Funds	\$4,358,497	\$904,718	\$26,167	\$5,289,382	\$293,181	\$1,012	\$4,652,690

MONTANA LIBRARY COMMISSION-5115

STATEWIDE LIBRARY RESOURCES-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,425	\$15,425
FY 2011	\$16,033	\$16,033

PL- 1 - Communications & Marketing Coordinator -

The library requests to increase the Montana State Library Commission (MSLC) communications and marketing coordinator FTE from 0.25 FTE to 0.50 FTE. MSLC provides a wide variety of services to all Montanans and there is a need to better inform the users of the services available. The communications and marketing coordinator provides guidance in presenting the Montana State Library and its products and services to the public. This request is for \$15,425 in FY 2010 and \$16,033 in FY 2011 from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$790,630	\$0
FY 2011	\$190,529	\$0

PL- 2 - LSTA Grants -

This request provides an increase in federal authority to spend estimated federal Library Services and Technology Act (LSTA) grant awards and to realign the biennial appropriation of the awards into the first year of the biennium, resulting in a smaller adjustment in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,354	\$4,354
FY 2011	\$4,354	\$4,354

PL- 3 - Standard Cost Adjustment -

This request restores zero-based per diem to the budget and includes a request to cover the increase in the hourly rate charged by the Department of Justice for legal assistance. The request is for \$8,708 general fund for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 4 - Library Courier/Delivery Service Pilot - OTO -

The budget includes \$200,000 state special revenue each year to fund a Library Courier/Delivery Service Pilot Project. The movement of interlibrary loan items between libraries has increased significantly due to increased electronic library catalog searches. This proposal would provide one-time-only funding of \$200,000 state special revenue for each year of the 2011 biennium to research and pilot cost effective alternatives such as utilizing other existing statewide courier networks or purchasing multiple copies of material to minimize reliance on escalating postal fees. The funding can also be used to increase resources for libraries that incur shipping costs when sharing materials.

MONTANA LIBRARY COMMISSION-5115 STATEWIDE LIBRARY RESOURCES-01

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$251,401
FY 2011	\$0	\$251,401

NP- 5 - Natural Resources Operations Acct - Funding Switch -

To balance expenditures with available revenue in the Natural Resources Operations Account, this proposal substitutes \$251,401 general fund each year of the biennium for the same amount of state special revenue. Funding is used to help pay for staff and operating expenses of the Natural Resource Information System (NRIS). The proposal helps ensure a sustainable fund balance in the account for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$0	\$0

NP- 7 - Training Lab Replacement - Bien/OTO -

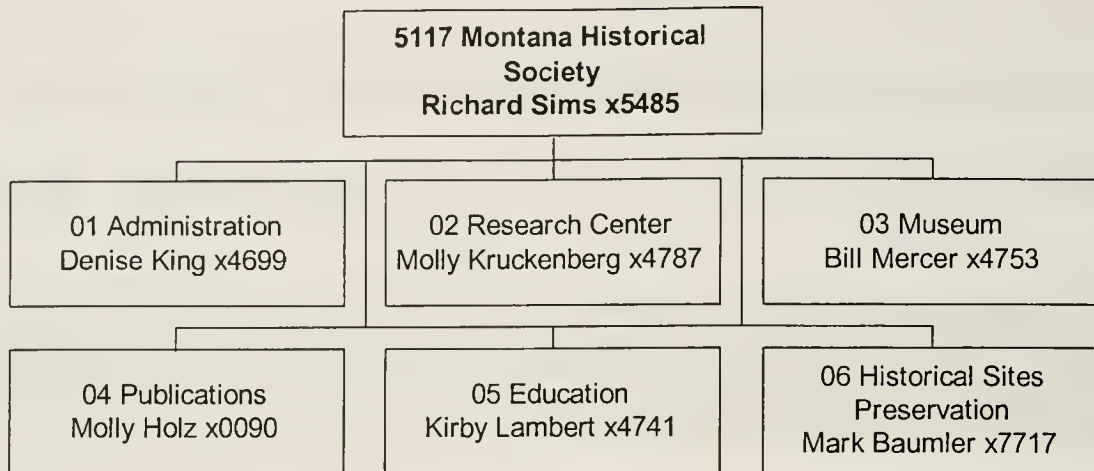
The state library requests \$25,000 one-time-only funding to replace approximately 12 existing training lab computers. The computers are used in-house and around the state by the state library and other state agencies for library related training. This is a biennial OTO.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,167	\$1,167
FY 2011	\$1,012	\$1,012

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,167 in FY 2010 and \$1,012 in FY 2011 general fund for the Library Commission's allocation of the fixed costs.

MONTANA HISTORICAL SOCIETY-5117



Mission Statement - To acquire, conserve, and advocate the protection of, provide broad access to, and interpret Montana's varied historical resources, thus promoting--for its citizens and for all others--the use, understanding, appreciation, and enjoyment of those resources.

Statutory Authority - Title 22, Chapter 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	61.14	0.00	0.00	61.14	0.00	0.00	61.14
Personal Services	2,766,436	438,597	(55,341)	3,149,692	448,676	(67,152)	3,147,960
Operating Expenses	1,224,784	84,887	(12,387)	1,297,284	53,350	(12,708)	1,265,426
Equipment & Intangible Assets	49,442	(9,778)	(10,748)	28,916	(8,983)	(10,748)	29,711
Grants	77,000	0	0	77,000	0	0	77,000
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$4,168,165	\$513,706	(\$78,476)	\$4,603,395	\$493,043	(\$90,608)	\$4,570,600
General Fund	2,668,353	189,402	(34,663)	2,823,092	176,564	(25,690)	2,819,227
State/Other Special	78,768	67,907	(6,204)	140,471	68,195	(6,263)	140,700
Federal Special	620,578	97,547	(69,914)	648,211	94,903	(81,073)	634,408
Proprietary	800,466	158,850	32,305	991,621	153,381	22,418	976,265
Total Funds	\$4,168,165	\$513,706	(\$78,476)	\$4,603,395	\$493,043	(\$90,608)	\$4,570,600

MONTANA HISTORICAL SOCIETY-5117

ADMINISTRATION PROGRAM-01

01 Administration
Denise King x4699

Program Description - The administration program provides supervision, administration, and coordination of the six programs in the Montana Historical Society. Program staff are responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, historic research, historic interpretation, and the society store.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	17.79	0.00	0.00	17.79	0.00	0.00	17.79
Personal Services	905,975	73,724	0	979,699	75,713	0	981,688
Operating Expenses	768,273	102,555	2,190	873,018	69,642	1,899	839,814
Equipment & Intangible Assets	20,544	(7,794)	0	12,750	(7,794)	0	12,750
Total Costs	\$1,694,792	\$168,485	\$2,190	\$1,865,467	\$137,561	\$1,899	\$1,834,252
General Fund	1,134,351	99,351	(4,760)	1,228,942	78,652	(6,796)	1,206,207
State/Other Special	76,292	36,930	2,249	115,471	37,150	2,258	115,700
Federal Special	156,879	(8,167)	(64,197)	84,515	(12,641)	(59,723)	84,515
Proprietary	327,270	40,371	68,898	436,539	34,400	66,160	427,830
Total Funds	\$1,694,792	\$168,485	\$2,190	\$1,865,467	\$137,561	\$1,899	\$1,834,252

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,580)	(\$40,580)
FY 2011	(\$40,580)	(\$40,580)

PL- 5 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$40,580 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$6,950)
FY 2011	\$0	(\$8,695)

NP- 20 - Align Funding -

The Historical Society requests changes in funding of \$71,147 in FY 2010 and \$68,418 in FY 2011 from general fund and federal funds to state special and proprietary funds in order to align projected revenues with projected expenditures for the 2011 biennium.

**MONTANA HISTORICAL SOCIETY-5117
ADMINISTRATION PROGRAM-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,190	\$2,190
FY 2011	\$1,899	\$1,899

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,190 in FY 2010 and \$1,899 in FY 2011 general fund for the Historical Society allocation of the fixed cost.

MONTANA HISTORICAL SOCIETY-5117 RESEARCH CENTER-02

02 Research Center
Molly Kruckenberg x4787

Program Description - The Research Center Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, makes accessible to the public, and assists researchers with, published materials, historic records and manuscripts, photographs and related media, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of the state.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	15.75	0.00	0.00	15.75	0.00	0.00	15.75
Personal Services	733,129	86,729	0	819,858	89,610	0	822,739
Operating Expenses	149,090	(1,629)	0	147,461	(1,587)	0	147,503
Equipment & Intangible Assets	18,150	(1,984)	0	16,166	(1,189)	0	16,961
Total Costs	\$900,369	\$83,116	\$0	\$983,485	\$86,834	\$0	\$987,203
General Fund	842,871	40,631	0	883,502	45,346	0	888,217
Proprietary	57,498	42,485	0	99,983	41,488	0	98,986
Total Funds	\$900,369	\$83,116	\$0	\$983,485	\$86,834	\$0	\$987,203

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$5,338)	(\$3,323)
FY 2011	(\$5,338)	(\$3,323)

PL- 6 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$5,338 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 25 - Align Funding -

The Historical Society requests changes between proprietary funds of \$20,035 in FY 2010 and \$19,941 in FY 2011 to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 MUSEUM PROGRAM-03

03 Museum
Bill Mercer x4753

Program Description - The museum program collects, preserves, and interprets the history of Montana through its material culture, collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's education program to orchestrate events, programs, and materials on Montana history for learners of all ages.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	312,439	109,112	(15,075)	406,476	110,361	(18,780)	404,020
Operating Expenses	19,494	5,083	(14,577)	10,000	5,113	(14,607)	10,000
Equipment & Intangible Assets	10,748	0	(10,748)	0	0	(10,748)	0
Total Costs	\$342,681	\$114,195	(\$40,400)	\$416,476	\$115,474	(\$44,135)	\$414,020
General Fund	279,893	37,150	2,482	319,525	38,195	5,682	323,770
State/Other Special	0	25,000	0	25,000	25,000	0	25,000
Proprietary	62,788	52,045	(42,882)	71,951	52,279	(49,817)	65,250
Total Funds	\$342,681	\$114,195	(\$40,400)	\$416,476	\$115,474	(\$44,135)	\$414,020

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$0
FY 2011	\$25,000	\$0

PL- 3 - Original Gov Mansion Restoration -

This request is for \$25,000 state special revenue in the 2011 biennium for restoration work at the Original Governor's Mansion (OGM). This request will include expending resources in the fund and donations from the OGM board for refurbishing the OGM carriage house.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$20,204)	(\$20,204)
FY 2011	(\$20,204)	(\$20,204)

PL- 7 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This removes \$20,204 in general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

**MONTANA HISTORICAL SOCIETY-5117
MUSEUM PROGRAM-03**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,400)	\$2,482
FY 2011	(\$44,135)	\$5,682

NP- 21 - Align Funding -

The Historical Society requests changes in funding of \$40,400 in FY 2010 and \$44,135 in FY 2011 from proprietary funds to general fund and state special funds in order to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 PUBLICATIONS PROGRAM-04

04 Publications
Molly Holz x0090

Program Description - The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly editions of the award-winning *Montana The Magazine of Western History* and the *Montana Star*, official newsletter of the society. It also publishes books under the Montana Historical Society Press imprint.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	188,373	31,266	0	219,639	31,682	0	220,055
Operating Expenses	201,420	(26,601)	0	174,819	(25,698)	0	175,722
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$440,296	\$4,665	\$0	\$444,961	\$5,984	\$0	\$446,280
General Fund	92,401	6,429	0	98,830	6,706	0	99,107
Proprietary	347,895	(1,764)	0	346,131	(722)	0	347,173
Total Funds	\$440,296	\$4,665	\$0	\$444,961	\$5,984	\$0	\$446,280

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$25,969)	\$0
FY 2011	(\$25,969)	\$0

PL - 8 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This removes \$25,969 in general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

MONTANA HISTORICAL SOCIETY-5117

EDUCATION PROGRAM-05

05 Education
Kirby Lambert x4741

Program Description - The education program is comprised of three primary divisions: outreach and interpretation, historic signs, and the volunteer program. The outreach and interpretation program provides educational public programming of all types, both at the society's headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials, and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures, and tours for statewide distribution/implementation; oversees the National Register Sign Program for the state of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production, and placement of non-register signage in all parts of the state; assists in the planning, production, and distribution of interpretive permanent, temporary, and traveling exhibitions; provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.85	0.00	0.00	5.85	0.00	0.00	5.85
Personal Services	161,307	125,677	(40,266)	246,718	128,098	(48,372)	241,033
Operating Expenses	16,992	(9,366)	0	7,626	(9,356)	0	7,636
Total Costs	\$178,299	\$116,311	(\$40,266)	\$254,344	\$118,742	(\$48,372)	\$248,669
General Fund	174,590	(510)	47,196	221,276	957	40,054	215,601
State/Other Special	2,476	5,977	(8,453)	0	6,045	(8,521)	0
Federal Special	0	85,298	(85,298)	0	85,980	(85,980)	0
Proprietary	1,233	25,546	6,289	33,068	25,760	6,075	33,068
Total Funds	\$178,299	\$116,311	(\$40,266)	\$254,344	\$118,742	(\$48,372)	\$248,669

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$9,436)	(\$9,436)
FY 2011	(\$9,436)	(\$9,436)

PL- 9 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$9,436 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

**MONTANA HISTORICAL SOCIETY-5117
EDUCATION PROGRAM-05**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,266)	\$47,196
FY 2011	(\$48,372)	\$40,054

NP- 22 - Align Funding -

The Historical Society requests changes in funding of \$40,266 in FY 2010 and \$48,372 in FY 2011 from state special and federal funds to general fund, state special and proprietary funds in order to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 HISTORIC PRESERVATION PROGRAM-06

06 Historic Sites Preservation
Mark Baumler x7717

Program Description - The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administers the National Register of Historic Places program in Montana through the state preservation review board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	8.75	0.00	0.00	8.75	0.00	0.00	8.75
Personal Services	465,213	12,089	0	477,302	13,212	0	478,425
Operating Expenses	69,515	14,845	0	84,360	15,236	0	84,751
Grants	77,000	0	0	77,000	0	0	77,000
Total Costs	\$611,728	\$26,934	\$0	\$638,662	\$28,448	\$0	\$640,176
General Fund	144,247	6,351	(79,581)	71,017	6,708	(64,630)	86,325
State/Other Special	0	0	0	0	0	0	0
Federal Special	463,699	20,416	79,581	563,696	21,564	64,630	549,893
Proprietary	3,782	167	0	3,949	176	0	3,958
Total Funds	\$611,728	\$26,934	\$0	\$638,662	\$28,448	\$0	\$640,176

-----New Proposals-----

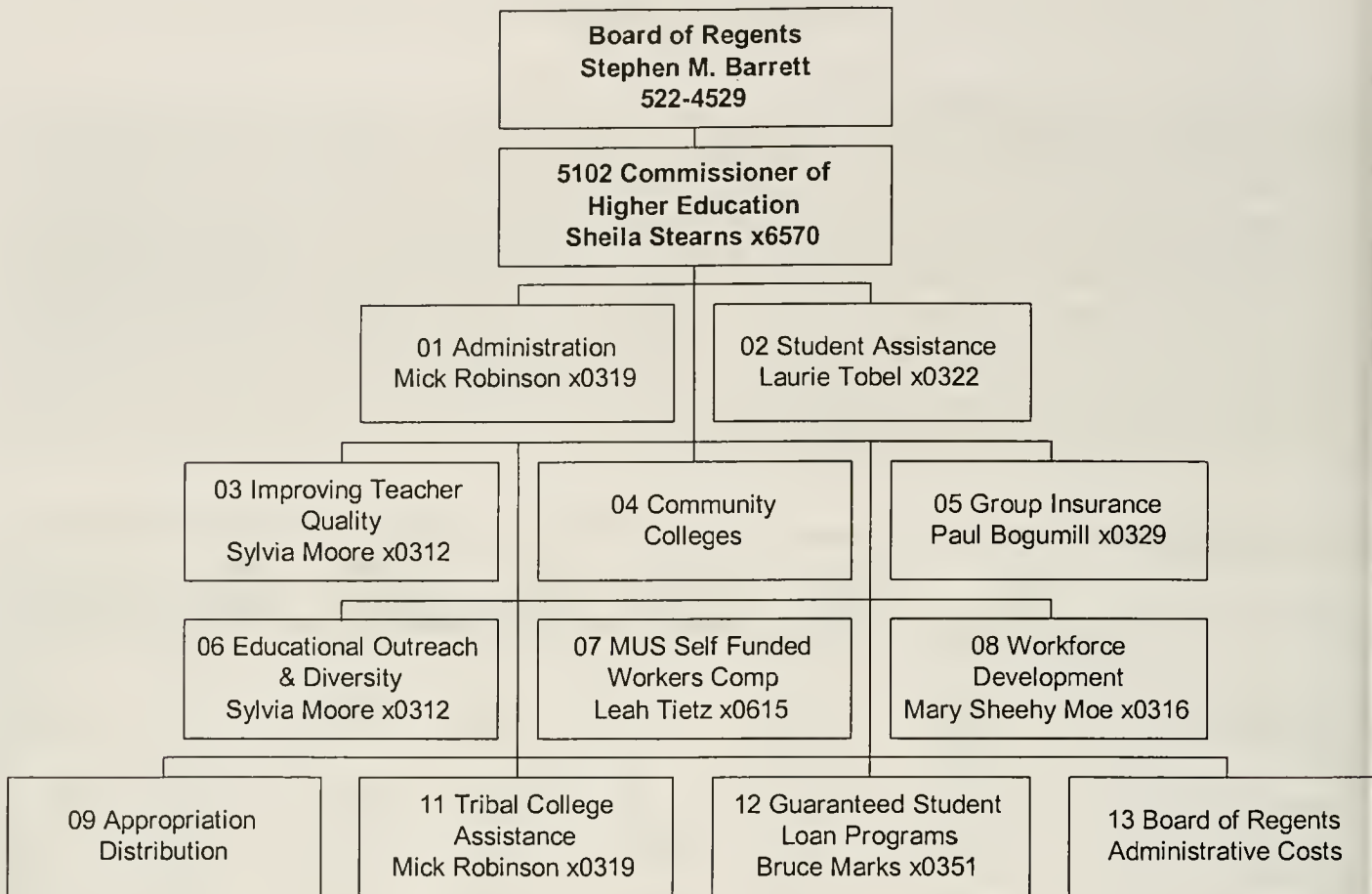
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$79,581)
FY 2011	\$0	(\$64,630)

NP- 23 - Align Funding -

The Historical Society requests changes in funding in FY 2010 of \$79,581 and FY 2011 of \$64,630 from general fund to federal funds in order to align projected revenues with projected expenditures for the 2011 biennium.

COMMISSIONER OF HIGHER ED-5102

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana's economy and society.

Statutory Authority - Article X, Section 9, Montana Constitution and 2-15-1506, MCA

COMMISSIONER OF HIGHER ED-5102

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	104.05	0.00	2.00	106.05	0.00	2.00	106.05
Personal Services	5,763,795	668,903	204,939	6,637,637	679,134	204,972	6,647,901
Operating Expenses	5,631,549	5,443,215	0	11,074,764	6,332,951	0	11,964,500
Equipment & Intangible Assets	43,732	0	0	43,732	0	0	43,732
Local Assistance	8,826,093	733,456	0	9,559,549	828,484	0	9,654,577
Grants	14,526,744	5,888,889	461,400	20,877,033	5,293,310	461,400	20,281,454
Benefits & Claims	25,034,673	7,038,516	0	32,073,189	10,873,816	0	35,908,489
Transfers	169,519,888	17,015,637	200,000	186,735,525	18,769,612	200,000	188,489,500
Total Costs	\$229,346,474	\$36,788,616	\$866,339	\$267,001,429	\$42,777,307	\$866,372	\$272,990,153
General Fund	170,167,847	18,698,135	916,339	189,782,321	20,540,667	916,372	191,624,886
State/Other Special	18,154,607	930,208	0	19,084,815	1,428,257	0	19,582,864
Federal Special	40,929,549	17,163,930	(50,000)	58,043,479	20,813,691	(50,000)	61,693,240
Proprietary	94,471	(3,657)	0	90,814	(5,308)	0	89,163
Total Funds	\$229,346,474	\$36,788,616	\$866,339	\$267,001,429	\$42,777,307	\$866,372	\$272,990,153

COMMISSIONER OF HIGHER ED-5102 ADMINISTRATION PROGRAM-01

01 Administration
 Mick Robinson x0319

Program Description - The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the commissioner and prescribes his powers and duties.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	22.40	0.00	2.00	24.40	0.00	2.00	24.40
Personal Services	2,156,082	(143,376)	204,939	2,217,645	(141,882)	204,972	2,219,172
Operating Expenses	541,685	183,108	0	724,793	142,150	0	683,835
Equipment & Intangible Assets	21,389	0	0	21,389	0	0	21,389
Local Assistance	0	8,907	0	8,907	8,893	0	8,893
Transfers	0	49,107	0	49,107	49,000	0	49,000
Total Costs	\$2,719,156	\$97,746	\$204,939	\$3,021,841	\$58,161	\$204,972	\$2,982,289
General Fund	2,360,914	92,733	204,939	2,658,586	59,749	204,972	2,625,635
Federal Special	263,771	8,670	0	272,441	3,720	0	267,491
Proprietary	94,471	(3,657)	0	90,814	(5,308)	0	89,163
Total Funds	\$2,719,156	\$97,746	\$204,939	\$3,021,841	\$58,161	\$204,972	\$2,982,289

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$54,420	\$54,420
FY 2011	\$56,053	\$56,053

PL- 103 - Rent Increase -

This decision package reinstates the rent increase approved by the 2007 Legislature for FY 2009. The Office of the Commissioner of Higher Education (OCHE) will move to a permanent location in FY 2009. OCHE requests an additional \$110,473 of general fund in the 2011 biennium for increased rent from the base year. Programs 2, 6, and 8 are allocated rent increases to be paid from non-general fund sources.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$58,014	\$58,014
FY 2011	\$57,893	\$57,893

PL- 104 - Distance Learning Assistance -

The 2007 legislature appropriated \$225,000 of general fund for the on-going support of distance learning. During the base year, not all funding was spent. This decision package restores the distance learning budget to approximately \$225,000 per year to allow the program to continue to work with the campuses on a coordinated, system-wide approach to distance learning.

**COMMISSIONER OF HIGHER ED-5102
ADMINISTRATION PROGRAM-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$204,939	\$204,939
FY 2011	\$204,972	\$204,972

NP- 102 - Information Resources, Planning, and Communication -

OCHE requests to maintain two positions that are currently funded from the appropriation distribution program 9. OCHE transferred funds from program 09 to program 01 and since the funding was spent on modified positions, the funding was not captured in the base budget. In recent years, the BOR has made it a priority to improve system-wide strategic planning, information resources, communications, and collaboration with statewide agencies and educational organizations.

COMMISSIONER OF HIGHER ED-5102 STUDENT ASSISTANCE PROGRAM-02

02 Student Assistance
 Laurie Tobol x0322

Program Description - This program includes all student grant funding. Types of grants include: work study, state grants, federal grant matching programs, and student grants for attending professional schools which are not available in Montana such as medicine, dentistry and veterinary medicine. Title 20, Chapters 25 and 26, MCA, govern the program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	98,580	17,857	0	116,437	17,869	0	116,449
Operating Expenses	38,660	9,998	0	48,658	8,038	0	46,698
Local Assistance	116,000	9,000	0	125,000	14,000	0	130,000
Grants	10,995,694	2,153,972	0	13,149,666	2,677,846	0	13,673,540
Total Costs	\$11,248,934	\$2,190,827	\$0	\$13,439,761	\$2,717,753	\$0	\$13,966,687
General Fund	10,956,182	2,187,667	0	13,143,849	2,716,544	0	13,672,726
State/Other Special	99,446	3,160	0	102,606	1,209	0	100,655
Federal Special	193,306	0	0	193,306	0	0	193,306
Total Funds	\$11,248,934	\$2,190,827	\$0	\$13,439,761	\$2,717,753	\$0	\$13,966,687

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$884	\$0
FY 2011	\$910	\$0

PL- 200 - Rent Increase -

Allocation of rent increase to the student assistance program. This request funds an increase in rent as explained in PL103 in program 1. The increase is \$1,794 state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$577,252	\$577,252
FY 2011	\$806,126	\$806,126

PL- 201 - WICHE/WWAMI/MN Dental -

This decision package requests \$1,383,378 general fund in the 2011 biennium to fund continuing student slots and anticipated increased tuition levels for the WICHE, WWAMI and MN Dental professional student exchange programs.

COMMISSIONER OF HIGHER ED-5102 STUDENT ASSISTANCE PROGRAM-02

Program	FY 2008 Actual	FY 2010 PL Adjustment	FY 2010 Request	FY 2011 PL Adjustment	FY 2011 Request
WICHE Admin. Dues	\$ 116,000	\$ 9,000	\$ 125,000	\$ 14,000	\$ 130,000
WICHE	\$ 1,911,300	\$ 226,467	\$ 2,137,767	\$ 316,533	\$ 2,227,833
Subtotal	\$ 2,027,300	\$ 235,467	\$ 2,262,767	\$ 330,533	\$ 2,357,833
WWAMI	\$ 2,906,819	\$ 333,385	\$ 3,240,204	\$ 462,993	\$ 3,369,812
MN Dentistry	\$ 123,600	\$ 8,400	\$ 132,000	\$ 12,600	\$ 136,200
Grand Total	\$ 5,057,719	\$ 577,252	\$ 5,634,971	\$ 806,126	\$ 5,863,845

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$32,000	\$32,000
FY 2011	\$32,000	\$32,000

PL- 202 - GSL Reimbursement -

The 2007 Legislature approved \$62,900 general fund for the 2009 biennium to provide a personal services cost reimbursement to the Guaranteed Student Loan Program (GSL), where administrative support is provided for a number of student assistance programs, including the High School Honors Fee Waiver, the Governor's Postsecondary Scholarship Program, the Montana Higher Education Grant, the Baker Grant, and other programs. The appropriation was allocated with \$30,900 to FY 2008 and \$32,000 to FY 2009. Adjusting the base level of funding to the FY 2009 level of support, an additional \$1,100 is needed for each year of the biennium or \$2,200 in total. The entire amount needs to be restored each year as it is not an FTE driven expense and therefore, gets zeroed out in the budgeting process.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$993,000	\$993,000
FY 2011	\$993,000	\$993,000

PL- 203 - Governor's Postsecondary Scholarship Program -

In the current biennium, the Montana Legislature provided a general fund appropriation of \$4,040,000 for scholarships to be awarded to Montana's best and brightest students attending one of the state's postsecondary institutions. The scholarships are awarded to students in three categories: merit, merit-at-large, and need. Both merit scholarships are awarded to incoming freshman and the need-based is awarded to students in academic categories, as determined by the Commissioner of Higher Education. The scholarships are renewable and can be used at a two-year or four-year institution. In FY 2008, \$1,530,000 was awarded to Montana students and \$2,510,000 will be awarded in FY 2009. To continue to fund existing students in the program and to maintain the same level of funding from 2009 biennium, an increase of \$993,000 in each year of the biennium.

Governor's Best & Brightest - Number of Scholarships Awarded				
Award Type	2008	2009	2010	2011
Merit-At-Large	172	258	234	292
Merit-High School	515	679	640	596
Subtotal	687	937	874	888
Need	649	864	916	902
Total Scholarships Awarded	1336	1801	1790	1790

COMMISSIONER OF HIGHER ED-5102 STUDENT ASSISTANCE PROGRAM-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$592,720	\$592,720
FY 2011	\$892,720	\$892,720

PL- 204 - Quality Educator Loan Assistance Program -

During the 2007 Legislative session, the Quality Educator Loan Assistance Program was created, with the objective of attracting public school teachers to underserved Montana school districts by providing state funding assistance to help those teachers pay outstanding student loans. A qualifying educator will be eligible for loan assistance for a maximum of four years and the annual maximum repayment amount is \$3,000. The Board of Regents was designated as the administrator and was given \$1,050,000 in general fund appropriation for the biennium. A 0.50 FTE was granted to assist in the administration of the program but has since been split between two existing positions so funding for the 0.50 FTE is not necessary through this decision package. In cooperation with OPI, 100+ teachers will be given loan assistance in FY 2008 and another 100 will join them in FY 2009. To support the continuation and again offer 100 teachers assistance, \$592,720 of additional funding will be necessary in FY 2010 and \$892,720 in FY2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$0
FY 2011	\$8,000	\$0

PL- 206 - Montana Family Education Savings Plan -

The contract between the Commissioner of Higher Education and Montana's 529 education savings plan program manager expired on May 31, 2008. There will be increased costs related to the preparation, review, and award of the contract, as well as costs to transition a new program manager. This increase for non-general fund authority is estimated to be \$10,000 in FY 2010 and \$8,000 in FY 2011 for a total of \$18,000 for the biennium. The Montana 529 Education Savings Plan administrative costs are 100% funded by an annual administrative fee charged to non-resident investors. This request will be funded as state special revenue.

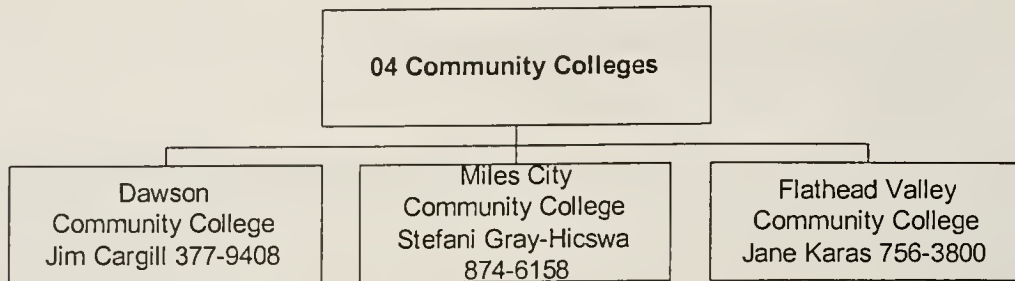
COMMISSIONER OF HIGHER ED-5102 IMPROVING TEACHER QUALITY-03

03 Improving Teacher Quality Sylvia Moore x0312

Program Description - This program is a federal grant program aimed at upgrading teaching skills of teachers in math and science.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
TE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	14,666	(14,666)	0	0	(14,666)	0	0
Operating Expenses	1,936	67	0	2,003	73	0	2,009
Grants	221,786	0	0	221,786	0	0	221,786
Total Costs	\$238,388	(\$14,599)	\$0	\$223,789	(\$14,593)	\$0	\$223,795
Federal Special	238,388	(14,599)	0	223,789	(14,593)	0	223,795
Total Funds	\$238,388	(\$14,599)	\$0	\$223,789	(\$14,593)	\$0	\$223,795

COMMISSIONER OF HIGHER ED-5102 COMMUNITY COLLEGE ASSISTANCE-04



Program Description - This program distributes funds appropriated by the Legislature in support of the three community colleges: Miles Community College, Dawson Community College, and Flathead Valley Community College. Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	8,710,093	715,549	0	9,425,642	805,591	0	9,515,684
Total Costs	\$8,710,093	\$715,549	\$0	\$9,425,642	\$805,591	\$0	\$9,515,684
General Fund	8,710,093	715,549	0	9,425,642	805,591	0	9,515,684
Total Funds	\$8,710,093	\$715,549	\$0	\$9,425,642	\$805,591	\$0	\$9,515,684

In the base year, the 2007 Legislature assumed the community college funding was 48.5% of costs. The community colleges received additional revenue from other sources and the actual state share of funding in the base year was 42.6%. The recommended community college budget begins at the higher level of expenditure in the base year and FY 2009 and builds from that level of expenditure. The following recommended budget provides for an increase in state share to 44.3 % in FY 2010 and 44.4% in FY 2011, an increase from the actual level of 42.6% in FY 2008.

The Administration recommends no additional enrollment in the portion of the budget that flows through the Office of the Commissioner of Higher Education to community colleges. Funding for additional enrollment is available through the decision package for 21st Century Workforce in the Department of Labor.

Statute also requires the Legislature adopt the ratio of the community college budget that it identifies as fixed and variable. In an attempt to keep the community colleges funding similar to the educational units, the Administration recommends that 100% of the community college funding funded through the OCHE is fixed and that 0% is variable. If the community college enrollment is less than the level budgeted, there will be no reversion of general fund.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,751	\$40,751
FY 2011	\$0	\$0

PL- 401 - Audit Costs -

Estimated audit costs for contract audits of FVCC, MCC, and DCC is \$81,500 and this requests the state pay for 50% of those costs. Audit costs were added to the community college budgets in the 2009 legislative session. The \$81,500 was taken from the fixed cost schedule set out by OBPP. The audit costs were split in the same ratio as they were funded last year with 32% or \$13,040 to DCC; 39% or \$15,893 to FVCC and 29% or \$11,818 to MCC.

COMMISSIONER OF HIGHER ED-5102 COMMUNITY COLLEGE ASSISTANCE-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$674,798	\$674,798
FY 2011	\$805,591	\$805,591

PL- 403 - Increase Funding to Cover the Costs of Present Law -

The Administration recommends funding community colleges as similar as possible as the educational units. Increased funding for the following present law adjustments in the Community Colleges as follows:

- Statewide inflation and fixed costs as applied to all other agencies
- Enrollment continued to be level with the FY 2009 operating budgeted level of enrollment
- Increases for employee merit and market adjustments, and faculty promotions and floors by campus set at the highest rate of the educational units
- Faculty termination costs will now be eligible for a share of funding from the personal services contingency pool to the extent that they exceed the level agreed upon
- Other operating cost inflationary increase to account for increases in rent, supplies, equipment and other costs
- Campus and agency specific increases for water and sewer rates

Unlike the educational units, the community colleges have local community support. In building these budgets, the growth rates for particular funding sources were assumed per the following: a non-resident tuition increase of approximately 1.0% in FY 2010 and 1.1% in FY 2011; and statutory local government levy increases per 15-10-420, MCA of 1.6% in each year of the biennium. No increase in resident student is assumed to be needed with the above adjustments. There is no recommended replacement of the one-time only funding provided in the previous biennium.

The following table summarizes the increases in state funding for both decision packages for each campus.

Projected Resident FTE						
Campus	FY 2008 Actual	FY 2009 Budgeted	PL Adjustments	FY 2010 Projections	PL Adjustments	FY2011 Projections
Present Law Adjustments						
Dawson C.C.	\$ 1,561,351	\$ 1,678,742	\$ 190,839	\$ 1,752,190	\$ 195,073	\$ 1,756,424
Flathead C.C.	\$ 5,028,763	\$ 5,323,858	\$ 341,129	\$ 5,369,892	\$ 415,036	\$ 5,443,799
Miles C.C.	\$ 2,119,979	\$ 2,245,074	\$ 183,581	\$ 2,303,560	\$ 195,482	\$ 2,315,461

COMMISSIONER OF HIGHER ED-5102 EDUCATIONAL OUTREACH & DIVERSITY-06

**06 Educational Outreach
& Diversity**
 Sylvia Moore x0312

Program Description - This program is primarily a federally-funded program to decrease the dropout rate of disadvantaged students in high schools and increase their enrollment and retention in post-secondary education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.95	0.00	0.00	19.95	0.00	0.00	19.95
Personal Services	758,599	255,549	0	1,014,148	255,893	0	1,014,492
Operating Expenses	943,427	18,230	0	961,657	21,428	0	964,855
Grants	915,547	3,203,906	0	4,119,453	2,084,453	0	3,000,000
Transfers	900,000	0	0	900,000	0	0	900,000
Total Costs	\$3,517,573	\$3,477,685	\$0	\$6,995,258	\$2,361,774	\$0	\$5,879,347
General Fund	63,005	10,316	0	73,321	10,361	0	73,366
State/Other Special	0	0	0	0	0	0	0
Federal Special	3,454,568	3,467,369	0	6,921,937	2,351,413	0	5,805,981
Total Funds	\$3,517,573	\$3,477,685	\$0	\$6,995,258	\$2,361,774	\$0	\$5,879,347

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,195	\$0
FY 2011	\$13,591	\$0

PL- 600 - Rent Increase -

This request funds an increase in rent as explained in PL103 in program 1. The increase is \$26,786 federal funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,203,906	\$0
FY 2011	\$2,084,453	\$0

PL- 601 - Additional Federal Authority for GEAR UP -

Montana GEAR UP operates under a six year discretionary federal grant. The request for additional federal authority will allow all the GEAR UP grant to be expended and to provide federally funded college scholarships to GEAR UP students.

COMMISSIONER OF HIGHER ED-5102 WORK FORCE DEVELOPMENT PGM-08

**08 Workforce Development
Mary Sheehy Moe x0316**

Program Description - The OCHE and the Office of Public Instruction coordinate the primarily federal efforts to support vocational education at the secondary and post-secondary levels.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	310,557	92,117	0	402,674	92,863	0	403,420
Operating Expenses	127,598	5,935	0	133,533	6,236	0	133,834
Grants	1,943,715	531,011	0	2,474,726	531,011	0	2,474,726
Transfers	3,073,647	350,000	0	3,423,647	350,000	0	3,423,647
Total Costs	\$5,455,517	\$979,063	\$0	\$6,434,580	\$980,110	\$0	\$6,435,627
General Fund	90,093	(28)	50,000	140,065	(31)	50,000	140,062
Federal Special	5,365,424	979,091	(50,000)	6,294,515	980,141	(50,000)	6,295,565
Total Funds	\$5,455,517	\$979,063	\$0	\$6,434,580	\$980,110	\$0	\$6,435,627

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,758	\$0
FY 2011	\$7,991	\$0

PL- 800 - Rent Increase -

This request funds an increase in rent as explained in PL103 in program 1. The increase is \$15,749 federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$881,011	\$0
FY 2011	\$881,011	\$0

PL- 801 - Increased Federal Authority for Perkins -

This increased federal authority will allow the Commissioner's office to award the federally funded grants and to transfer the required federal funding to OPI.

**COMMISSIONER OF HIGHER ED-5102
WORK FORCE DEVELOPMENT PGM-08**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$50,000
FY 2011	\$0	\$50,000

NP- 802 - Fund Deputy Commissioner for 2-Year Education -

OCHE requests \$50,000 general fund per year to convert the Director of two-year Education position within OCHE to the Deputy Commissioner for two-year Education, to focus on two-year issues and system-wide solutions. While the availability of two-year education in Montana is broad and diverse, the number of students taking advantage of two-year education is low. There is a need in Montana to develop a coordinated system of two-year education. This approach must strive to increase college participation for all ages of students, address regional workforce training needs, align strategies and resources, increase administrative efficiencies, and improve public perception.

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

09 Appropriation Distribution

Program Description -

The Appropriation Distribution Program in the Office of the Commissioner of Higher Education (OCHE) is the conduit through which state funds flow to: 1) the university system units and colleges of technology and other campus related appropriations, and 2) the research/public service agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	165,546,241	16,616,530	200,000	182,362,771	18,370,612	200,000	184,116,853
Total Costs	\$165,546,241	\$16,616,530	\$200,000	\$182,362,771	\$18,370,612	\$200,000	\$184,116,853
General Fund	147,491,080	15,689,482	200,000	163,380,562	16,943,564	200,000	164,634,644
State/Other Special	18,055,161	927,048	0	18,982,209	1,427,048	0	19,482,209
Total Funds	\$165,546,241	\$16,616,530	\$200,000	\$182,362,771	\$18,370,612	\$200,000	\$184,116,853

The following table summarizes the funding table above by campus or agency. These funds are appropriated to the Office of the Commissioner of Higher Education and distributed to the campuses and agencies.

Appropriation Distribution Program (09) -- 2011 Biennium Executive Budget Proposal

Educational Units	FY 2008 Base Year	State Share Present Law FY 2010	New Proposals FY 2010	Executive Budget FY 2010	State Share Present Law FY 2011	New Proposals FY 2011	Executive Budget FY 2011	2011 Biennium Total
UM - Missoula	\$ 45,186,426	\$ 4,708,098		\$ 49,894,524	\$ 5,165,270		\$ 50,351,696	\$ 100,246,220
MSU - Bozeman	\$ 44,863,936	\$ 5,063,026		\$ 49,926,962	\$ 5,698,628		\$ 50,562,564	\$ 100,489,526
UM - MT Tech	\$ 11,529,160	\$ 1,410,248		\$ 12,939,408	\$ 1,596,666		\$ 13,125,826	\$ 26,065,234
MSU - Billings	\$ 18,016,449	\$ 1,811,897		\$ 19,828,346	\$ 1,962,604		\$ 19,979,053	\$ 39,807,399
MSU - Northern	\$ 8,112,772	\$ 609,235		\$ 8,722,007	\$ 612,529		\$ 8,725,301	\$ 17,447,308
MU - Western	\$ 6,170,885	\$ 392,663		\$ 6,563,548	\$ 429,700		\$ 6,600,585	\$ 13,164,133
Great Falls COT	\$ 5,081,776	\$ 992,747		\$ 6,074,523	\$ 1,047,100		\$ 6,128,876	\$ 12,203,399
Helena COT	\$ 3,548,527	\$ 417,842		\$ 3,966,369	\$ 448,418		\$ 3,996,945	\$ 7,963,314
Family Practice Residency	\$ 319,366			\$ 319,366			\$ 319,366	\$ 638,732
Yellow Bay Biological Institute	\$ 125,000			\$ 125,000			\$ 125,000	\$ 250,000
Motorcycle Safety Program	\$ 220,000	\$ 55,000		\$ 275,000	\$ 55,000		\$ 275,000	\$ 550,000
PBS Delivery System			\$ 200,000	\$ 200,000		\$ 200,000	\$ 200,000	\$ 400,000
Subtotal	\$ 143,174,297	\$ 15,460,756	\$ 200,000	\$ 158,835,053	\$ 17,015,915	\$ 200,000	\$ 160,390,212	\$ 319,225,265
Research/Public Service Agencies								
Ag Experiment Station	\$ 12,102,217	\$ 419,440		\$ 12,521,657	\$ 520,660		\$ 12,622,877	\$ 25,144,534
Extension Services	\$ 5,725,432	\$ 386,391		\$ 6,111,823	\$ 445,894		\$ 6,171,326	\$ 12,283,149
Forestry Conservation ES	\$ 1,124,312	\$ 41,420		\$ 1,165,732	\$ 41,420		\$ 1,165,732	\$ 2,331,464
Bureau of Mines	\$ 2,644,107	\$ 260,724		\$ 2,904,831	\$ 295,626		\$ 2,939,733	\$ 5,844,564
Fire Service Training School	\$ 775,876	\$ 47,799		\$ 823,675	\$ 51,097		\$ 826,973	\$ 1,650,648
Subtotal	\$ 22,371,944	\$ 1,155,774		\$ 23,527,718	\$ 1,354,697		\$ 23,726,641	\$ 47,254,359
Grand Total Program 09	\$ 165,546,241	\$ 16,616,530	\$ 200,000	\$ 182,362,771	\$ 18,370,612	\$ 200,000	\$ 184,116,853	\$ 366,479,624

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

The following table summarizes the total current unrestricted budget recommended by the Administration. These funds account for the total current unrestricted funding available to the campuses and agencies to include federal funds, tuition, and other funds that are not transferred from the Office of the Commissioner of Higher Education to the campuses. Adjustments to Program 09 begin with the current unrestricted expenditures by unit and then the costs are prorated between state funds and other current unrestricted funding sources.

Campus/Agencies Current Unrestricted Funds -- 2011 Biennium Executive Budget Proposal									
	FY 2008	PL Base	New		PL Base	New	Executive		
Educational Units	Base Year	Adjustment	FY	Proposals	Executive Budget	Adjustment	Proposals FY	Budget	2011 Biennium
		2010	FY	FY 2010	FY 2010	Fy 2011	2011	FY 2011	Total
UM - Missoula	\$ 127,540,281	\$ 9,486,594	\$ -	\$	137,026,875	\$ 10,775,679	\$ -	\$ 138,315,960	\$ 275,342,835
MSU - Bozeman	\$ 126,542,107	\$ 8,752,384	\$ -	\$	135,294,491	\$ 10,540,621	\$ -	\$ 137,082,728	\$ 272,377,219
UM - MT Tech	\$ 23,342,861	\$ 2,038,492	\$ -	\$	25,381,353	\$ 2,415,930	\$ -	\$ 25,758,791	\$ 51,140,144
MSU - Billings	\$ 36,500,906	\$ 2,362,996	\$ -	\$	38,863,902	\$ 2,668,326	\$ -	\$ 39,169,232	\$ 78,033,134
MSU - Northern	\$ 13,632,993	\$ 208,161	\$ -	\$	13,841,154	\$ 290,975	\$ -	\$ 13,923,968	\$ 27,765,122
MU - Western	\$ 10,850,565	\$ 523,338	\$ -	\$	11,373,903	\$ 588,461	\$ -	\$ 11,439,026	\$ 22,812,929
Great Falls COT	\$ 9,275,883	\$ 1,426,677	\$ -	\$	10,702,560	\$ 1,525,889	\$ -	\$ 10,801,772	\$ 21,504,332
Helena COT	\$ 5,571,177	\$ 408,108	\$ -	\$	5,979,285	\$ 456,978	\$ -	\$ 6,028,155	\$ 12,007,440
Subtotal	\$ 353,256,773	\$ 25,206,750	\$ -	\$	378,463,523	\$ 29,262,859	\$ -	\$ 382,519,632	\$ 760,983,155
Research/Public Service Agencies									
Ag Experiment Station	\$ 17,663,797	\$ (2,553,071)	\$ -	\$	15,110,726	\$ (2,227,133)	\$ -	\$ 15,436,664	\$ 30,547,390
Extension Services	\$ 8,341,947	\$ 311,317	\$ -	\$	8,653,264	\$ 398,014	\$ -	\$ 8,739,961	\$ 17,393,225
Forestry Conservation ES	\$ 1,128,085	\$ 11,107	\$ -	\$	1,139,192	\$ 22,394	\$ -	\$ 1,150,479	\$ 2,289,671
Bureau of Mines	\$ 2,730,115	\$ 214,787	\$ -	\$	2,944,902	\$ 250,824	\$ -	\$ 2,980,939	\$ 5,925,841
Fire Services Training School	\$ 779,526	\$ 49,431	\$ -	\$	828,957	\$ 52,745	\$ -	\$ 832,271	\$ 1,661,228
Subtotal	\$ 30,643,470	\$ (1,966,429)	\$ -	\$	28,677,041	\$ (1,503,156)	\$ -	\$ 29,140,314	\$ 57,817,355
Grand Total CUR	\$ 383,900,243	\$ 23,240,321	0.00	\$	407,140,564	\$ 27,759,703	0.00	\$ 411,659,946	\$ 818,800,510

-----Present Law Adjustments-----

	Total Agency Impact	General Fund Total
FY 2010	\$11,696,883	\$11,624,835
FY 2011	\$11,696,883	\$11,624,835

PL- 902 - Adjust Funding to the 2009 Level of State Support -

The administration recommends adjusting the base level of funding to the 2009 level of state support as the first step in funding educational units and the agencies. This increase includes such items as annualization of the 2009 pay-plan faculty and staff merit and promotion increases, new space, IT fixed costs and operating costs.

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,864,647	\$4,864,647
FY 2011	\$6,618,729	\$6,618,729

PL- 903 - Fund Present Law to 2011 Biennium Level -

The Administration recommends increased funding for the following present law adjustments in the Educational Units and Agencies as follows:

- Statewide inflation and fixed costs as applied to all other agencies
- Increased costs associated with operation and maintenance of new or renovated buildings that were approved by previous legislatures of \$2.2 million in FY 2010 and 3.0 million in FY 2011
- Enrollment continued to be level with the FY 2007 budgeted level of enrollment
- Increases for employee merit and market adjustments, and faculty promotions and floors by campus
- Faculty termination costs will continue to be eligible for a share of funding from the personal services contingency pool to the extent that they exceed the level budgeted for in the 2009 biennium
- Other operating cost inflationary increase to account for increases in rent, supplies, equipment and other costs
- Corrections for accounting adjustments, recharges, and personal services zero based items
- Campus and agency specific increases for fertilizer, water, and sewer rates

These increases in current unrestricted (university funds) are recommended to be funded at the FY 2008 state share level of funding by campus or agency. The overall average percentage state share is 43%.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$800,000)
FY 2011	\$0	(\$1,300,000)

PL- 930 - General Fund Replacement with Six Mill Levy Funds -

The Administration recommends reconciling the budget with the six mill state special revenues anticipated to be available net of anticipated reappraisal mitigation, and reducing the general fund by a like amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$55,000	\$0
FY 2011	\$55,000	\$0

PL- 9015 - Motorcycle Safety (Northern) -

MSU-Northern requests an increase of \$55,000 per year for the Montana motorcycle safety program. The program is funded from fees collected by the Department of Justice at the time motorcycles are registered. The increased funding will be used for the following: replacement of older motorcycles, maintenance on existing motorcycles, increased marketing expenses, and increased operating expenses. The additional appropriation authority is needed to offset the costs of providing services for this continually growing program. The last time the appropriation was increased was for FY 2006. Since this program is funded with fees (02944), no general fund is requested.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP- 920 - PBS Restore One-Time Funding to be Ongoing -

The 2007 Legislature provided one-time-only support for the Public Broadcast System (PBS) for \$400,000 for FY 2008 only. This request restores funding, \$200,000 general fund per year, on an ongoing basis.

COMMISSIONER OF HIGHER ED-5102 TRIBAL COLLEGE ASSISTANCE PGM-11

**11 Tribal College
Assistance
Mick Robinson x0319**

Program Description - The program provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	450,002	0	461,400	911,402	0	461,400	911,402
Total Costs	\$450,002	\$0	\$461,400	\$911,402	\$0	\$461,400	\$911,402
General Fund	450,002	0	461,400	911,402	0	461,400	911,402
Total Funds	\$450,002	\$0	\$461,400	\$911,402	\$0	\$461,400	\$911,402

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$461,400	\$461,400
FY 2011	\$461,400	\$461,400

NP- 1101 - Restore One-Time Funding to be Ongoing -

In accordance with 20-25-428 MCA, the 2007 legislature appropriated \$450,000 to the tribal colleges for support of non-beneficiary student assistance, along with a one-time-only appropriation of \$507,000. The full \$507,000 was not expended in FY 2008. This request restores the funding to the level expended in FY 2008 in to be ongoing instead of one-time only.

COMMISSIONER OF HIGHER ED-5102 GUARANTEED STUDENT LOAN PGM-12

**12 Guaranteed Student
Loan Program**
 Bruce Marks x0351

Program Description - GSL operates under federal regulation to guarantee federal student loans. GSL purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principle from defaulted loans and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	55.20	0.00	0.00	55.20	0.00	0.00	55.20
Personal Services	2,419,311	461,122	0	2,880,433	468,757	0	2,888,068
Operating Expenses	3,937,765	5,223,761	0	9,161,526	6,150,437	0	10,088,202
Equipment & Intangible Assets	22,343	0	0	22,343	0	0	22,343
Benefits & Claims	25,034,673	7,038,516	0	32,073,189	10,873,816	0	35,908,489
Transfers	0	0	0	0	0	0	0
Total Costs	\$31,414,092	\$12,723,399	\$0	\$44,137,491	\$17,493,010	\$0	\$48,907,102
General Fund	0	0	0	0	0	0	0
Federal Special	31,414,092	12,723,399	0	44,137,491	17,493,010	0	48,907,102
Total Funds	\$31,414,092	\$12,723,399	\$0	\$44,137,491	\$17,493,010	\$0	\$48,907,102

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,240,190	\$0
FY 2011	\$6,186,970	\$0

PL- 1201 - Loan Servicing Costs Increase -

The Montana Guaranteed Student Loan Program (MGSLP) has negotiated a new servicing agreement with Great Lakes Higher Education Corporation to continue to provide a student loan guarantee/processing system and data processing services. The effective date of the new contract was July 1, 2008. With the new contract, MGSLP servicing costs will increase nearly 50%. The increase in costs are relative to the loan portfolio growth the MGSLP has experienced, as the contract pricing is based on the agency's outstanding principal balance of loans under guarantee. The anticipated increase to base funding to cover the costs will be \$5,240,190 in FY 2010 and \$6,186,970 in FY 2011. The costs will be funded 100% from federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,655,516	\$0
FY 2011	\$3,637,816	\$0

PL- 1202 - Increased Collection Costs -

The MGSLP anticipates the need for increased collection cost appropriation due to changes in the guarantor funding model as set forth in the College Cost Reduction Act (CCRA). Based on CCRA, MGSLP's remittance requirement on claims payments to the U.S. Department of Education (DE) has increased 7%.

Additionally, MGSLP anticipates more collections and associated collection costs to the DE collection due to projected increases in claim payments based on increased loan limits, increased borrowing, and a slowed economy. The combination of these factors creates a need for additional federal appropriation in the 2011 biennium of \$2,655,516 in FY 2010 and \$3,637,816 in FY 2011.

**COMMISSIONER OF HIGHER ED-5102
GUARANTEED STUDENT LOAN PGM-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,383,000	\$0
FY 2011	\$7,236,000	\$0

PL- 1203 - Increased Claims Payments -

The Montana Guaranteed Student Loan Program (MGSLP) continues to experience growth in their outstanding guarantee portfolio from \$1,600,000,000 in FY 2006 to \$1,766,000,000 in FY 2007 and to \$1,943,000,000 in FY 2008. The portfolio growth is attributed to increased loan limits and increased borrowing. With claims payments during this period at a rate of approximately 1.2% of the outstanding portfolio and continued expected growth of outstanding portfolio balance, MGSLP will need an appropriation increase for potential claim payments. For this purpose, MGSLP requests increased federal appropriations of \$4,383,000 in FY 2010 and \$7,236,000 FY 2011 for the biennium.

COMMISSIONER OF HIGHER ED-5102 BOARD OF REGENTS-ADMIN-13

13 Board of Regents
 Stephen M. Barrett
 522-4529

Program Description - - The Board of Regents program provides secretarial support, travel and per diem for the Board of Regents. The Board of Regents has full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System under Article X, Section 9, Montana Constitution, and 20-25-301, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	6,000	300	0	6,300	300	0	6,300
Operating Expenses	40,478	2,116	0	42,594	4,589	0	45,067
Local Assistance	0	0	0	0	0	0	0
Total Costs	\$46,478	\$2,416	\$0	\$48,894	\$4,889	\$0	\$51,367
General Fund	46,478	2,416	0	48,894	4,889	0	51,367
Total Funds	\$46,478	\$2,416	\$0	\$48,894	\$4,889	\$0	\$51,367

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,300	\$6,300
FY 2011	\$6,300	\$6,300

PL- 1301 - Board of Regents Per Diem -

Board of Regents per diem is zero based. This request restores the per diem of \$6,300 general fund for each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,041	\$2,041
FY 2011	\$4,471	\$4,471

PL- 1302 - Board of Regents Mileage -

The budget includes \$6,512 general fund for the biennium for travel reimbursement for regents traveling to Board of Regents meetings.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION F: LONG-RANGE PLANNING

Long-Range Building Pgm

Cultural & Aesthetic Grant Pgm

Treasure State Endowment Pgm

State Building Energy
Conservation Pgm

Reclamation & Development Grants

Consolidated Information
Technology Projects

Renewable Resource Grants & Loans

OBPP Staff:

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



LONG-RANGE BUILDING PROGRAM

Purpose - The Long-Range Building Program (LRBP) was initiated in 1965 to provide funding for construction and maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

Executive Recommendation -

- **Volume 3 of the Governor's 2011 biennium Executive Budget** contains complete descriptions of all recommended projects, which total \$145,089,202, as well as a listing of all LRBP project applications submitted by Agencies for the 2011 biennium. All recommended projects are listed within Table F-2.
- **The 2011 Long-Range Building Program is a "Cash Only" program and no general obligation bonds are proposed.** HB 5 contains \$33,515,000 LRBP, \$55,839,000 state special revenue, \$8,435,000 federal special revenue, and \$47,300,202 other funds for a total of 60 projects and \$145,089,202 in the cash program.
- Highest priorities in the 2011 biennium are projects that address energy conservation, safety, and major repairs and deferred maintenance; no significant new construction or major additions are proposed for the 2011 Executive Budget.
- Due to the significant emphasis of the Long-Range Building Program and State Building Energy Program on energy conservation capital improvements, and the interwoven nature between many of the LRBP and SBEP projects, the SBEP project recommendations are included in Table F-2. The associated SBEP funds are shown as "other funds" since both funding sources are necessary to make those projects move to successful and full completion.
- The LRBP fund, which is sufficient to fund \$33,515,000 of capital projects this biennium, is the primary source of funding for major repairs and maintenance for two-thirds of State-owned buildings with a combined replacement value exceeding \$1.2 billion. Ongoing funding for the LRBP has experienced a significant downward trend over the last two decades; however, recent increases in revenues from natural resource development have provided a welcome boost in the program's ongoing funds available for capital improvements. This cash provides an opportunity to continue the State's efforts to address the State's major repair and maintenance backlog as well as invest in energy conservation improvements that will continue to pay dividends for many decades into the future.
- A one-time transfer of \$16.15 million from the General Fund to the Long-Range Building Fund is being made to further address these worthwhile and necessary projects.

Since the Last Session -

- **The Architecture and Engineering Division has completed:** acquisition of the Forensic Science Lab Building located in Missoula, for the Department of Justice; construction of Housing for High Risk Behaviors at Montana Developmental Center in Boulder; construction of the Chemistry Research Building at Montana State University; construction of the new Anderson Journalism Building and major upgrades to the Steam Tunnel System at the University of Montana; major additions to the Colleges of Technology at Billings, Great Falls and Helena; demolition of four major buildings at the State Hospital in Warm Springs; and small but significant renovations at numerous DNRC and DPHHS facilities throughout the State.
- **Construction is underway for:** the State's primary and remote computer centers, or Enterprise Systems Services Centers, located in Helena and Miles City respectively; renovation of McMullen Hall at Montana State University-Billings; the first phase of a major renovation of Main Hall at University of Montana-Western in Dillon; construction of the new Montana Bureau of Mines and Geology & Petroleum Building at the University of Montana School of Technology in Butte; major masonry repairs at Leon Johnson Hall, the major renovation of Gaines Hall and construction of the new Animal Bio-Science facility at Montana State University; major additions to the School of Education and Law School Buildings, and construction of the new Native American Center at the University of Montana; construction of the new consolidated DNRC/DEQ office building in Kalispell; improvements to existing and construction of new facilities at MSU Agricultural Experiment Station locations throughout the State; and continued demolition and campus improvements at the State Hospital at Warm Springs.
- **And in our continuing effort to address the State's significant backlog of deferred maintenance** within state-owned facilities, vital and significant major repair and maintenance projects are in progress at the Montana Law Enforcement Academy, Montana State Hospital, campuses of the Montana University System, and on most agency campuses within the State.

Language Recommendation -

The following language will be included in the introduced version of HB 5:

LONG-RANGE BUILDING PROGRAM

"Fund Transfers. (1) Subject to subsection (3), there is transferred from the state general fund \$8.075 million in fiscal year 2010 and \$8.075 million in fiscal year 2011 to the long-range building program account in the capital projects fund type for the projects enumerated in [section 2].

(2) Subject to subsection (3), there is transferred from the state general fund \$1.0 million in fiscal year 2010 and \$1.0 million in fiscal year 2011 to the fish, wildlife, and parks capital projects account in the capital projects fund type for the projects enumerated in [section 5].

(3) In order to maintain an adequate ending fund balance, if at any time during the 2011 biennium the office of budget and program planning projects a 2011 biennium unreserved ending general fund balance of less than \$100 million, the office of budget and program planning may direct the department of administration to reduce the fund transfers in subsections (1) and (2). The department of administration shall transfer the funds on a schedule approved by the office of budget and program planning that enables the statewide management goals for cash flow and for fund balance. If the projected unreserved general fund ending fund balance increases at a later point in the biennium the fund transfers may be increased back up to the original authorized level. The office of budget and program planning may not direct fund transfers to be reduced below the level of encumbrance obligations made against the appropriation at the time of the reduction."

Funding -

- See Table F-1 for presentation of the LRBP account revenue estimates for the 2011 biennium.

Recommended Projects -

- See Table F-2 for presentation of the projects recommended for the 2011 biennium LRBP.

LONG-RANGE BUILDING PROGRAM

TABLE F-1

REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF NOVEMBER 14, 2008
2011 BIENNIUM

Estimated Beginning Cash Balance (July 1, 2009)		\$5,027,410
Revenues:		
Cigarette Tax	4,243,524	
Coal Severance Tax	11,173,000	
Interest Earnings	3,093,171	
Supervisory Fees	866,664	
DEQ Transfer - Energy Savings	0	
General Fund Transfer (OTO)	<u>16,150,000</u>	
Total Revenues		<u>35,526,359</u>
Funds Available		40,553,769
Expenditures:		
Operating Costs - A & E Division	(3,980,628)	
Debt Service - 2003G Issue ¹	(2,646,207)	
Debt Service - 2005A Issue ²	(1,705,202)	
Funding Switch ³	<u>1,330,000</u>	
Total Expenditures - Excluding Capital Projects		<u>(7,002,037)</u>
Funds Available For Capital Projects		33,551,732
Funding Proposals		
Capital Construction Program - LRBP Projects Only		(33,515,000)
Balance Remaining		<u><u>\$36,732</u></u>

¹ Refunding the 2003G (1996D) bond issue

² Refunding portions of the 2005A (1997B and 1999C) bond issues

³ Funding switch authorized by the 2001 legislature - Montana Session Laws 2001, Chapter 486, Section 11

LONG-RANGE BUILDING PROGRAM

Table F-2
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
1	MUS	Energy Conservation Improvements, MUS	7,000,000			12,100,000	19,100,000
2	DOC	Energy Conservation Improvements, DOC	1,260,000			3,120,000	4,380,000
3	DOA	Renovation & Energy Improvements, State Liquor Warehouse		1,750,000		460,000	2,210,000
4	DOA	Mechanical & Energy Projects, Capitol Complex				3,132,921	3,132,921
5	DMA	Energy Conservation Improvements, DMA			885,000	265,000	1,150,000
6	DPHHS	Montana Veterans' Home Improvements, Phase 2		800,000		400,000	1,200,000
7	MSDB	Energy & Facility Improvements, MSDB	250,000			25,000	275,000
8	DOC	Alternative Energy-Biomass Boiler, MSP			250,000	740,281	990,281
9	DPHHS	MMHNCC Improvements, Phase 2	400,000			143,000	543,000
10	Statewide	Energy Related Deferred Maintenance	3,500,000	1,000,000	1,000,000	2,000,000	7,500,000
11	DPHHS	DPHHS Energy Projects, Statewide				1,400,000	1,400,000
12	DEQ	Energy Projects at Community Colleges, Statewide				600,000	600,000
13	DOA	Cabinet Agency Energy Projects, Statewide				7,714,000	7,714,000
14	DNRC	Energy/Major Repairs & Small Projects, DNRC Statewide	1,000,000				1,000,000
15	Statewide	Spending Authority, Utility Energy Conservation Funds				2,000,000	2,000,000
16	Statewide	Hazardous Materials Abatement	400,000				400,000
17	Statewide	Roof Repairs & Replacements	1,310,000		700,000		2,010,000
18	DOA	Elevator & ADA Modifications, Capitol Complex				1,450,000	1,450,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
19	Statewide	Repair/Preserve Building Envelopes	1,500,000				1,500,000
20	Statewide	Code Deferred Maintenance	2,000,000				2,000,000
21	MDT	Statewide Maintenance, Repair & Small Projects		2,625,000			2,625,000
22	MUS	Code/Deferred Maintenance, MUS	4,000,000			1,000,000	5,000,000
23	DOA	Infrastructure Repairs, State Capitol	500,000			300,000	800,000
24	Commerce	Historic Preservation & Supporting Improvements, MHC Statewide	1,400,000				1,400,000
25	Statewide	Campus Infrastructure	1,000,000				1,000,000
26	DMA	Storm Water Improvements/Infrastructure, Phase 3, FT Harrison			1,600,000		1,600,000
27	DMA	Paving Parking Lots, DMA Statewide	100,000		100,000		200,000
28	DOA	Parking Lot Upgrades, Capitol Complex				250,000	250,000
29	DOC	Emergency Power System, MSP	500,000				500,000
30	Agriculture	Renovation & Energy Upgrades, State Grain Lab	525,000				525,000
31	Statewide	Upgrade Fire Protection Systems	800,000				800,000
32	MUS	Renovate Hagener Science Center, MSU-N	2,150,000				2,150,000
33	DPHHS	Replace Nurse Call System, EMVH		144,000			144,000
34	DOC	Renovate Low Support, MSP	1,660,000				1,660,000
35	DPHHS	Improve Medical Services, MDC	450,000				450,000
36	DPHHS	Renovate Superintendent's Residence, MVH		180,000			180,000
37	Statewide	Campus Master Planning	200,000	100,000		200,000	500,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
38	DOC	New Building for Youth Transition Center	1,310,000				1,310,000
39	DOC	Improve Food Production, DOC	300,000				300,000
40	DMA	Federal Spending Authority				2,000,000	2,000,000
41	DNRC	Increase Appropriation Oil & Gas Building, Billings		1,300,000			1,300,000
42	MDT	Equipment Storage Buildings, Statewide		1,175,000			1,175,000
43	MDT	US Highway 93 Projects		24,100,000			24,100,000
44	MUS	General Spending authority, UM				6,000,000	6,000,000
45	FWP	Future Fisheries		1,150,000			1,150,000
46	FWP	Hatchery Maintenance		575,000	275,000		850,000
47	FWP	Community Fishing Ponds		50,000			50,000
48	FWP	Clearwater Fish Barrier		825,000	25,000		850,000
49	FWP	Habitat Montana		8,110,000			8,110,000
50	FWP	Upland Game Bird Program		1,525,000			1,525,000
51	FWP	Wildlife Habitat Maintenance		1,010,000			1,010,000
52	FWP	Migratory Bird Stamp Program		620,000			620,000
53	FWP	Bighorn Sheep		150,000			150,000
54	FWP	Hunting Access		2,500,000			2,500,000
55	FWP	Access Montana				2,000,000	2,000,000
56	FWP	Parks Program		3,040,000	2,000,000		5,040,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
57	FWP	FAS Acquisition		500,000	100,000		600,000
58	FWP	FAS Site Protections		900,000			900,000
59	FWP	Grant Programs/Federal Projects		320,000	1,500,000		1,820,000
60	FWP	Admin Facilities Repair & Maint		1,390,000			1,390,000
TOTAL LONG RANGE BUILDING PROGRAM			\$33,515,000	\$55,839,000	\$8,435,000	\$47,300,202	\$145,089,202

Treasure State Endowment Program

Purpose - The Treasure State Endowment Program (TSEP), administered by the Department of Commerce, is a coal tax-funded program designed to assist communities with infrastructure financing as authorized by Montana voters with passage of Legislative Referendum 110 in 1992. Title 90, Chapter 6, part 7, MCA sets out the basic requirements for TSEP. Goals for the program include:

- create jobs for Montana residents;
- promote economic growth in Montana by helping to finance the necessary infrastructure;
- encourage local public facility improvements;
- create a partnership between the state and local governments to make necessary public projects affordable;
- support long-term, stable economic growth in Montana;
- protect future generations from undue fiscal burdens caused by financing necessary public works;
- coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
- enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

Executive Recommendation

Volume 4 of the Governor's 2011 biennium Executive Budget contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.

- Under current law, it is projected that about \$16 million in net endowment interest will be available for TSEP grant awards for the 2011 biennium.
- HB 11 contains the list of projects recommended for TSEP construction grant funding. For the 2011 biennium, there were 65 applications submitted, requesting \$33,757,542 in TSEP grant funds. Table F-3 lists each project and the recommended grant, if there are sufficient monies to fund each project. Based on the net endowment interest projected to be available for TSEP grant awards for the 2011 biennium, 33 projects could be funded.
- HB 11 also contains requests for \$900,000 to be used by the department to award matching grants for preliminary engineering studies, and \$100,000 to be used by the department to award grants for emergency projects.
- HB 11 also contains an appropriation from the Treasure State Endowment Regional Water System Fund, which is administered by the Department of Natural Resources and Conservation.

Since the Last Session

Since the 2007 Legislature met, the department has administered as many as 123 construction grants, awarded and administered 42 grants for preliminary engineering studies, and awarded and administered four grants for emergency projects.

The more significant changes to the *TSEP Application Guidelines* that were published in 2008 included:

- Modified the amount that can be requested for a construction project. In order to qualify for the maximum of \$750,000, the applicant's combined user rates must be at least 150% of the community's "target rate" (based upon the projected monthly rates with TSEP assistance) upon completion of a proposed water, wastewater project, storm drain, or solid waste project. If the combined user rates are projected to be between 125% and 150% of the community's "target rate," applicants are eligible to apply for no more than \$625,000. Applicants whose combined user rates are less than 125% of the community's "target rate" are limited to a maximum of \$500,000. Counties with bridge projects are limited to a maximum of \$500,000, unless the county can clearly demonstrate that extenuating circumstances exist.
- A limit was placed on the amount that would be recommended if user rates are simply raised beyond what is necessary to construct the project in order to qualify for a higher grant amount.
- Changed the amount allowed per benefited household from \$15,000 to \$20,000.
- Eliminated the limitation of \$15,000 per household for economic development related projects, when those benefiting from the project are primarily businesses, and there are few or no households.
- Applicants were notified that a time limit on holding a construction grant would be included in the next HB 11. Grantees would be required to meet start-up conditions by December 31, 2012, or the grant contract would be terminated.
- Other state grants are allowed to match a PER grant in hardship cases.
- Counties can submit one PER application to study its bridge system and another application to study an unincorporated area that is not served by a community water or wastewater system.
- An engineer must be procured within six months of the PER grant award or the contract may be terminated. Grant agreements will not be extended unless the grantee can demonstrate substantial progress and show good cause for extending the date.

Treasure State Endowment Program

- Changed the scoring of Statutory Priority #3, using four levels rather than five levels to score it.
- An application must receive a minimum of 2,700 points in order to be recommended for a grant.
- Added scoring level definitions for all statutory priorities (except #2), including project specific examples for Statutory Priority #1 (this was a separate document in the past).
- Eliminated multiplying the target percentage times a multiplier (a percentage) when computing the target rate, which resulted in the target rate increasing.

Treasure State Endowment Program

Table F-3
TSEP Applicants and the Amount of Dollars Recommended

Rank ¹	Applicant	Type of Project	Amount Requested	Proposed Grant Award ²	Cumulative Proposed Award
1	Philipsburg, Town of	Wastewater	750,000	750,000	750,000
2	Ravalli County	Bridge	137,193	137,193	887,193
3	Sweet Grass County	Bridge	93,360	93,360	980,553
4	Melstone, Town of	Water	625,000	625,000	1,605,553
5	Fergus County	Bridge	167,200	167,200	1,772,753
6	Rudyard County W&S District	Wastewater	319,000	319,000	2,091,753
7	Cascade, Town of	Water	625,000	625,000	2,716,753
7	Powell County	Bridge	304,248	304,248	3,021,001
9	Wolf Creek Co. W&S District	Wastewater	750,000	750,000	3,771,001
10	Judith Gap, Town of	Water-Wastewater	750,000	750,000	4,521,001
11	Gardiner Park Co. W&S District	Wastewater	358,000	358,000	4,879,001
12	Winifred, Town of	Wastewater	500,000	500,000	5,379,001
13	Beaverhead County	Bridge	290,668	290,668	5,669,669
14	Sweet Grass Community Co. W&S District	Water	625,000	625,000	6,294,669
15	Nashua, Town of	Water	421,300	421,300	6,715,969
16	Laurel, City of	Water	625,000	625,000	7,340,969
17	Homestead Acres W&S District	Water	573,325	573,325	7,914,294
18	Crow Tribe	Water-Wastewater	750,000	750,000	8,664,294
19	Carbon County	Bridge	492,915	492,915	9,157,209
19	Lewis and Clark County	Bridge	456,628	456,628	9,613,837
21	Madison County	Bridge	413,203	413,203	10,027,040
22	Cut Bank, City of	Water	500,000	500,000	10,527,040
23	Broadview, Town of	Water	500,000	500,000	11,027,040
23	St. Ignatius, Town of	Water	253,000	253,000	11,280,040
25	Jefferson County	Bridge	160,690	160,690	11,440,730
25	Stillwater County	Bridge	292,979	292,979	11,733,709
27	Wibaux, Town of	Wastewater	500,000	500,000	12,233,709
28	Granite County	Solid Waste	197,000	0	12,233,709
29	Missoula County (for Seeley Lake)	Wastewater	750,000	0	12,233,709
29	Seeley Lake Sewer District	Wastewater	750,000	0	12,233,709
31	Bigfork Co. W&S District	Wastewater	750,000	750,000	12,983,709
32	Choteau, City of	Wastewater	500,000	500,000	13,483,709
33	Valier, Town of	Water	625,000	625,000	14,108,709
34	Carter Choteau Co. W&S District	Water	750,000	750,000	14,858,709
35	Hardin, City of	Wastewater	500,000	500,000	15,358,709
36	Upper & Lower River Rd W&S District	Water-Wastewater	500,000	500,000	15,858,709
37	Gilford Co. W&S District	Wastewater	538,000	538,000	16,396,709
38	Big Sandy, Town of	Wastewater	500,000	500,000	16,896,709
38	Ronan, City of	Water	750,000	750,000	17,646,709
40	Dutton, Town of	Wastewater	500,000	500,000	18,146,709
41	Blaine County	Bridge	384,160	384,160	18,530,869
42	Loma County W&S District	Water	750,000	750,000	19,280,869
43	Harlowton, Town of	Water	500,000	500,000	19,780,869
44	Kevin, Town of	Water	500,000	500,000	20,280,869
45	Flathead County for Bigfork	Stormwater	625,000	625,000	20,905,869
46	Woods Bay Homesites W&S District	Wastewater	730,000	730,000	21,635,869
47	Shelby, City of	Wastewater	750,000	625,000	22,260,869
48	Whitefish, City of	Wastewater	500,000	500,000	22,760,869
49	Eureka, Town of	Water	625,000	625,000	23,385,869
49	Troy, City of	Water	750,000	715,000	24,100,869
51	Fallon Co. North Baker W&S District	Wastewater	500,000	120,000	24,220,869
52	Sheaver's Creek W&S District	Wastewater	600,000	600,000	24,820,869
53	Yellowstone County	Bridge	228,753	228,753	25,049,622
54	Core Hill Co. Water District	Water	250,300	250,300	25,299,922
55	South Chester County Water District	Water	131,000	0	25,299,922
56	Livingston, City of	Solid Waste	500,000	500,000	25,799,922
57	Flathead Co. Water District #8 (Happy Valley)	Water	500,000	500,000	26,299,922
58	Bynum/Teton Co. W&S District	Water	567,000	567,000	26,866,922
59	Bozeman, City of	Wastewater	750,000	750,000	27,616,922
60	Fort Smith W&S District	Water	500,000	500,000	28,116,922
61	Jette Meadows W&S District	Water	750,000	750,000	28,866,922
62	Greater Woods Bay Sewer District	Wastewater	732,000	488,000	29,354,922
63	Em-Kayan Co. W&S District	Water	290,619	0	29,354,922
64	Stevensville, Town of	Water	750,000	0	29,354,922
65	Bridger Pines Co. W&S District	Wastewater	750,000	0	29,354,922
Total			33,757,541	29,354,922	29,354,922

¹ Some projects have the same rank number indicating they tied.

² The amount recommended if there are sufficient monies to fund the project. Under current law, it is projected that about \$16 million in net endowment interest will be available for TSEP grant awards for the 2011 biennium. Based on the net endowment interest projected to be available for TSEP grant awards for the 2011 biennium, 33 projects could be funded.

Reclamation and Development Grant Program

Purpose – The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana from the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction, and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

Executive Recommendation –

- **Volume 5 of the Governor's 2011 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP.
- **HB 7** presents the reclamation and development grant recommendations, which total \$6,662,122 for the 25 projects for which funding is recommended.
- Statutorily required priorities include \$600,000 for the Montana Board of Oil and Gas and \$800,000 in abandoned mines reclamation.
- Representative mineral reclamation project include reclamation and cleanup of the McClaren, Emery, and Beal Mountain mines, and numerous oil and gas well plugging and abandonment projects.
- Non-mineral projects include the restoration of Fleshman Creek and reclamation of the Berg Lumber site.
- Also included is a \$800,000 request for planning grant funding.

Since the last Session –

- During the interim, DNRC contracted with 14 of the 18 funded grants. These projects are progressing with particular success from the board of Oil and Gas in properly plugging and abandoning shut in wells that have been taken over as a responsibility of the state.

Reclamation and Development Grant Program

Table F-4
Reclamation and Development Grant Program

Rank	Project Sponsor	Project Title	Amount Requested	Amount Recommended	Cumulative Total
1	Montana Board of Oil and Gas	2009 Northern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$300,000	\$300,000
2	Montana Board of Oil and Gas	2009 Southern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$300,000	\$600,000
3	MT DNRC-Trust Land Management Division	Reliance Refinery	\$300,000	\$300,000	\$900,000
4	City of Shelby	Shelby Refinery	\$300,000	\$300,000	\$1,200,000
5	Missoula County	St. Louis Creek Mine Reclamation	\$300,000	\$300,000	\$1,500,000
6	MT - Department of Environmental Quality	Spring Meadow Lake Reclamation Project	\$300,000	\$300,000	\$1,800,000
7	Cascade County Commission	County Shops Remediation of Wood Treatment Preservatives	\$300,000	\$300,000	\$4,200,000
8	MT - Department of Environmental Quality	McLaren Tailings Reclamation Project	\$300,000	\$300,000	\$2,400,000
9	City of Lewistown**	Reclamation of Berg Lumber Site	\$220,590	\$300,000	\$2,700,000
10	Town of Ryegate	Former Ryegate Conoco	\$259,200	\$259,200	\$2,959,200
11	MT - Department of Environmental Quality	Emery Reclamation Project	\$300,000	\$300,000	\$3,259,200
12	Park County	Fleshman Creek Urban Restoration Project	\$300,000	\$300,000	\$3,559,200
13	Butte-Silver Bow City-County Government	Butte Mining District-Reclamation and Protection Project	\$300,000	\$300,000	\$3,859,200
14	Missoula County	Ninemile Creek Mining District Reclamation	\$200,800	\$200,800	\$4,060,000
15	MT - Department of Environmental Quality	Beal Mountain Mine: Waste Rock Dump Soil Cover	\$300,000	\$300,000	\$4,360,000
16	Lewis & Clark Conservation District	York Gulch Old Amber Mine Reclamation Project	\$83,207	\$83,207	\$4,443,207
17	Ruby Valley Conservation District	Big Hole Cooperative Ditch Improvement Project	\$239,658	\$239,658	\$4,682,865
18	MT DNRC-Water Resources Division**	Monitoring Coal-Bed Methane Development Effects on Surface Water Quality of the Tongue & Powder River	\$300,000	\$195,000	\$4,877,865
19	Montana Public Service Commission**	Geologic Evaluation of Potential Sites for Compressed Air Energy Storage in Montana	\$293,460	\$135,000	\$5,012,865
20	Flathead Basin Commission	Flathead Lake Mapping Project	\$294,977	\$294,977	\$5,307,842
21	Jefferson County	Ground-Water Quality Assessment with Emphasis on Radionuclides	\$300,000	\$300,000	\$5,607,842
22	Meagher County Conservation District	Hydrologic Framework & Water Budget of the Upper Smith River Watershed, Meagher County	\$300,000	\$300,000	\$5,907,842
23	Custer County Conservation District**	Yellowstone River Riparian Restoration Project	\$299,926	\$177,881	\$6,085,723
24	Cascade County Commission	Sustainable Water Supplies from the Madison Aquifer, Central Montana	\$290,817	\$286,792	\$6,372,515
25	Butte-Silver Bow City-County Government	Irrigation Demonstration Project for Butte Acidic Mine Waters-On-Site Treatment & Resource Recovery	\$289,607	\$289,607	\$6,662,122
26	Carter County Conservation District	Ground-Water Monitoring Near a Proposed in Situ Uranium Mine in Carter County	\$295,407	\$0	\$6,662,122
27	MT - Department of Environmental Quality	Systematic Statewide Reconnaissance of Occurrence & Effects of Organic Wastewater Compounds from Wastewater Treatment Plants in Receiving Streams in Montana	\$300,000	\$0	\$6,862,122
28	Flathead County	Flathead Regional Wastewater Management Group (FUNDED BY RRGL)	\$89,983	\$0	\$6,662,122
29	Montana Bureau of Mines and Geology	Assessment of Deep Coals in Eastern Montana-Potential Targets for In-situ Gasification of Unmineable Resources (WITHDRAWN)	\$159,784	\$0	\$6,662,122
		Total	\$7,817,416	\$6,662,122	\$6,662,122
	Applicant received RDGP planning grant September 25 2008 2pm ** funding amount has been changed				

Renewable Resource Grant and Loan Program

Purpose - The Renewable Resource Grant and Loan Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6 MCA.. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility covers a wide spectrum including irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation –

- **Volume 6 of the Governor's 2011 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table F-5 below shows the recommended projects.
- **HB 6** presents the renewable resource grants recommendations for legislative action.
- Grant funding is limited to \$5.072 million and would provide funding for the first 52 of the 92 applications.
- Funding is recommended in the bill for 89 projects, in order of priority, for a total of \$8.6 million, in keeping with the DNRC policy of including all projects that meet minimum technical and financial feasibility requirements.
- The highest priority grant will be to the Town of Dutton for a wastewater system improvements project.
- Other projects include the Ruby Dam rehabilitation project and other dam rehabilitation, watershed restoration projects, irrigation rehabilitation projects, groundwater studies, numerous proposals for municipal water and wastewater systems and other water management projects.
- **HB 6** recommends provision of \$100,000 in emergency grants to communities for projects that present immediate threats to public health or the environment. \$800,000 is recommended for project planning grants, \$300,000 for irrigation development grants and \$50,000 for private grants.
- **HB 8** presents the renewable resource bonds and loans recommendations from applications that total \$2,873,000 in new requests.

Since the Last Session –

- As of October 2008, the DNRC entered into grant agreements with 73 of the 78 grantees that received appropriations from the 60th Legislature for a total of \$6,659,360 approved to date.
- This biennium, there have been 3 emergency grants awarded to date.
- Thirty-one planning project planning grants were issued.

Renewable Resource Grant and Loan Program

Table F-5
2011 Biennium Renewable Resource Program

Ranked Order	Applicant	Project Name	Grant Amount	Cumulative	Loan Amount	Type
1	Dutton, Town of	Dutton WW System Improvements	100,000	100,000		WW
2	Philipsburg, Town of	Philipsburg WW System Improvements	100,000	200,000		WW
3	Upper Lower River Road WSD	Upper Lower River Road Phase 3 Water and Wastewater System Improvements	100,000	300,000		W/WW
4	Fork Peck Tribes	Fort Peck Tribes lateral L-56 Rehab Project	100,000	400,000		IR
5	Bitter Root Irrigation District	Bitter Root Irrigation District Siphon 1 Phase 1	100,000	500,000	473,000	IR
6	Milk River Irrigation Project	Milk River system-wide Geolirrigation Mapping Project	65,004	565,004		WM
7	Big Sandy, Town of	Big Sandy WW Improvement Project	100,000	665,004		WW
8	Beaverhead CD	Big Hole Spring Creek Kalsta Spring Creek WQ Enhancement	97,485	762,489		WM
9	DNRC- Water Resources Div	Ruby Dam Rehabilitation Project	100,000	862,489	2,000,000	DAM
10	Nashua, Town of	Nashua Water System Improvements	100,000	962,489		W
11	Hysham ID	Pump Station Electrical Improvements Project	100,000	1,062,489		IR
12	Yellowstone County	West Billings Flood control and Groundwater Recharge Study	100,000	1,162,489		WM
13	Clinton Irrigation District	Main Canal Rehabilitation Project	99,610	1,262,099		IR
14	Hardin, City of	Hardin WW System Improvements	100,000	1,362,099		WW
15	Lewistown, City of	Lewistown WW System Improvements	100,000	1,462,099		WW
16	Winifred, Town of	Winifred WW System Improvements	100,000	1,562,099		WW
17	Gildford County WSD	Gildford WW System Improvements	100,000	1,662,099		WW
18	Melstone, Town of	Melstone Water System Improvements	100,000	1,762,099		W
19	Hysham ID	SDSS Flow Monitoring/Data Transfer Project	100,000	1,862,099		IR
20	Choteau, City of	Choteau WW System Improvements	100,000	1,962,099		WW
21	Wolf Creek County WSD	Wolf Creek WW System Improvements	100,000	2,062,099		WW
22	Lower Musselshell CD	Lost Horse Creek Siphon Pipeline Rehabilitation	100,000	2,162,099		IR
23	Whitefish, City of	Whitefish WW System Improvements	100,000	2,262,099		WW
24	Gardiner-Park County WSD	Gardiner WW System Improvements	100,000	2,362,099		WW
25	DNRC- Water Resources Div	Twodot Canal Rehabilitation Project	100,000	2,462,099		IR
26	Cascade, Town of	Cascade Water System Improvements	100,000	2,562,099		W
27	Sweet Grass County CD	Post-Kellogg Diversion Structure Infrastructure Rehabilitation	100,000	2,662,099		IR
28	Wibaux, Town of	Wibaux WW System Improvements	100,000	2,762,099		WW
29	Ravalli County Environmental Health	Bitterroot Valley Septic Systems Impact Evaluation Model	100,000	2,862,099		WM
30	Bynum Teton County WSD	Bynum Water System Improvements	100,000	2,962,099		W
31	Lake County	Lake County LiDAR Mapping Project	100,000	3,062,099		WM
32	Ravalli County	Ravalli County Phase II LiDAR Mapping	100,000	3,162,099		WM
33	Judith Gap, Town of	Judith Gap Water and WW System Improvements	100,000	3,262,099		W/WW
34	Crow Tribe of Indians	Crow Agency WW System Improvements Phase IIIA	100,000	3,362,099		WW
35	Stevensville, Town of	Stevensville WW Improvements Project	100,000	3,462,099		WW
36	Flathead County	Bigfork Stormwater System Improvements	100,000	3,562,099		SS
37	Kevin, Town of	Kevin Water System Improvements	100,000	3,662,099		W
38	Em-Kayan Village WSD	Em-Kayan Village Water System Improvements	100,000	3,762,099		W
39	Broadview, Town of	Broadview Water System Improvements	100,000	3,862,099		W
40	DNRC- Water Resources Div	Deadman's Basin Terminal Outlet Replacement Project	100,000	3,962,099	400,000	DAM
41	Big Horn CD	Water Reservations Efficiencies	19,486	3,981,585		WM
42	DNRC- Water Resources Div	Martinsdale Reservoir Dam Origin Project	100,000	4,081,585		DAM
43	Loma County WSD	Loma Water System Improvements	100,000	4,181,585		W
44	Woods Bay Homesites WSD	Woods Bay WW System Improvements	100,000	4,281,585		WW
45	Sheaver's Creek WSD	Sheaver's Creek WW System Improvements	100,000	4,381,585		WW
46	Bozeman, City of	Hyalite Creek Source Water Protection Barmer Project	100,000	4,481,585		WM
47	Greater Woods Bay Sewer District	Greater Woods Bay WW System Improvements	100,000	4,581,585		WW
48	Virginia City, Town of	Virginia City WW System Improvements	100,000	4,681,585		WW
49	Helena Valley ID	HVID Main Canal Lining Project	100,000	4,781,585		IR
50	Flathead County	Flathead Regional Wastewater Management Group	89,993	4,871,578		WM
51	North Baker WSD	North Baker WW System Improvements	100,000	4,971,578		WW
52	Valier, Town of	Valier Water System Improvements	100,000	5,071,578		W
53	Flathead Joint Board of Control	FJBC Jocko K Canal Lining	100,000	5,171,578		IR
54	Sweet Grass County	Yellowstone Greycliff Study	80,000	5,251,578		WM
55	Cut Bank, City of	Cut Bank Water System Improvements	100,000	5,351,578		W
56	Confederated Salish and Kootenai Tribes	Upper Jocko S Lining Project	100,000	5,451,578		IR
57	St. Ignace, Town of	St. Ignace Water System Improvements	100,000	5,551,578		W
58	Missoula County	Lewis and Clark Subdivision RSID Water System Improvements	100,000	5,651,578		W
59	Bridger Pines County WSD	Bridger Pines WW System Improvements	100,000	5,751,578		WW
60	Ennis, Town of	Ennis Water System Improvements	100,000	5,851,578		W
61	Laurel, City of	Laurel Water System Improvements	100,000	5,951,578		W
62	Fort Smith WSD	Fort Smith Water System Improvements	100,000	6,051,578		W
63	Troy, City of	Troy Water System Improvements	100,000	6,151,578		W
64	DNRC- Water Resources Div	Nevada Creek Canal Design and Construction Project	100,000	6,251,578		DAM
65	Granite County	Granite County Solid Waste Improvements	100,000	6,351,578		SW
66	Harlowton, City of	Harlowton Water System Improvements	100,000	6,451,578		W
67	Jette Meadows WSD	Jette Meadows Water System Improvements	100,000	6,551,578		W
68	Homestead Acres County WSD	Homestead Acres Water System Improvements	100,000	6,651,578		W
69	South Chester Water District	South Chester Water System Improvements	100,000	6,751,578		W
70	Bigfork WSD	Bigfork WW System Improvements	100,000	6,851,578		WW

Renewable Resource Grant and Loan Program

Table F-5
2011 Biennium Renewable Resource Program

Ranked Order	Applicant	Project Name	Grant Amount	Cumulative	Loan Amount	Type
71	Greenacres County WSD	Greenacres Water System Improvements	100,000	6,951,578		W
72	Livingston, City of	Livingston Anaerobic Digester Improvements and Composting	100,000	7,051,578		SW
73	Eureka, Town of	Eureka Water System Improvements	100,000	7,151,578		W
74	Manhattan, Town of	Manhattan Water System Improvements	100,000	7,251,578		W
75	Stevensville, Town of	Stevensville Water System Improvements	100,000	7,351,578		W
76	Buffalo Rapids Project District II	Conversion of laterals 2.9/7.6 to Pipeline	100,000	7,451,578		IR
77	Flathead Basin Commission	Mapping the Impacts of Septic Systems: A Shallow GW Study	100,000	7,551,578		WM
78	Daly Ditches ID	Hedge Canal Diversion Dam Replacement	100,000	7,651,578		DAM
79	Fort Shaw Irrigation District	Water Quality and Quantity Improvement	100,000	7,751,578		IR
80	East Bench Irrigation District	EBID Sweetwater Seepage Area Canal Lining	100,000	7,851,578		IR
81	MSU Montana Watercourse	Watershed Education for Real Estate Agents	19,333	7,870,911		WM
82	Shelby, City of	Shelby WW System Improvements	100,000	7,970,911		WW
83	Buffalo Rapids Project District II	Increasing Pump Discharge Line Efficiency Phase II	100,000	8,070,911		IR
84	Sweet Grass County WSD	Sweet Grass Water System Improvements	100,000	8,170,911		W
85	Gore Hill County Water District	Gore Hill Water System Improvements	100,000	8,270,911		W
86	Whitefish County WSD	Investigation of Septic Leachate to Littoral Areas of Whitefish Lake	70,000	8,340,911		WM
87	Richland County CD	Lower Yellowstone GW Reservation	100,000	8,440,911		WM
88	MSU Montana Water Center	Decisionmaker's Guide To Montana's Water	99,462	8,540,373		WM
89	Ronan, City of	Ronan Water System Improvements	100,000	8,640,373		W
	TOTAL		8,640,373		2,873,000	

Projects below this line are not recommended for funding at this time

	City of Missoula	Fort Missoula/Bitterroot River Bank Stabilization Design Project	79,310			WM
	Garfield County CD	Mosby Musselshell Watershed Group Water Storage Project	100,000			IR
	Greenfields Irrigation District	Pishkun Enlargement Study	100,000			IR
	W- Water	SS- Stormsewer				
	WW- Wastewater	Dam-Dam				
	W/WW-Water and Wastewater	IR-Irrigation				
	SW-Solid Waste	WM- Water Management				

Cultural and Aesthetic Grant Program

Purpose - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society, the C&A program was transferred to the Montana Arts Council in the 1985 biennium and continued to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the MAC and half by the MHS. Coal severance tax revenue of 0.63 percent is statutorily allocated to the capitol art protection trust fund for partial funding of the recommended grants. About two-thirds of the projects are arts projects and one-third are history and other cultural projects.

Executive Recommendation -

- Volume 7 of the Governor's 2011 biennium Executive Budget contains the C&A project applications and advisory committee assessment information.
- HB 9 contains the projects recommended by the advisory committee for funding in the amount of \$809,400. Table F-6 below shows all of the requested and recommended grants.
- Projects are organized into four categories: special projects less than \$4,500, special projects, operational support, and capital expenditure grants.
- The revenue estimate for cultural trust interest earnings for the 2011 biennium is \$20,320.
- Montana Arts Council administration and services are recommended for \$429,356 and appropriated in House Bill 2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.
- Language in HB 9 provides a mechanism for spending the funds within the total revenue available.

Since the Last Session -

- The MAC received 104 requests for grant funding totaling \$2.6 million, which were reviewed and ranked by the Cultural and Aesthetic Projects Advisory Committee. The average request was \$25,000 and the average recommended is \$8,800. These are two year awards.
- The tax flow into the cultural and aesthetic trust fund was \$249,000 for FY 2008.

Cultural and Aesthetic Grant Program

Table F-6
Cultural and Aesthetic Grant Program
2011 Biennium Cultural Trust Applications & Recommendations

Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE
Special Project < \$4500					
1406	Upper Swan Valley Historical Soc	\$ 4,400	\$ 3,500	1	\$ 3,500
1407	Yellowstone Ballet Company	\$ 4,500	\$ 4,500	2	\$ 8,000
1405	Signatures from Big Sky	\$ 4,500	\$ 4,500	3	\$ 12,500
1404	Sanders County Historical Soc/USFS Region 1	\$ 4,500	\$ 4,500	4	\$ 17,000
1402	Miles City Speakers Bureau	\$ 4,000	\$ 4,000	5	\$ 21,000
1403	Montana Storytelling Roundup, Inc.	\$ 4,500	\$ 4,500	6	\$ 25,500
1401	Granite Co Museum & Cultural Ctr	\$ 4,500	\$ 2,000	7	\$ 27,500
1400	Council for the Arts, Lincoln	\$ 2,500	\$ 1,800	8	\$ 29,300
Special Project					
1432	Montana Alliance for Arts Ed	\$ 8,566	\$ 5,000	SSO-1	\$ 34,300
1418	Glacier National Park	\$ 4,923	\$ 4,900	1	\$ 39,200
1424	Humanities Montana	\$ 75,000	\$ 13,900	2	\$ 53,100
1430	Missoula Art Museum	\$ 27,000	\$ 12,000	3	\$ 65,100
1440	Russell Museum	\$ 60,000	\$ 13,900	4	\$ 79,000
1414	CoMotion Dance	\$ 17,477	\$ 6,000	5	\$ 85,000
1408	Alpine Artisans, Inc	\$ 16,400	\$ 7,300	6	\$ 92,300
1416	Fort Peck Fine Arts Council	\$ 40,000	\$ 11,000	7	\$ 103,300
1411	Butte Silver Bow Public Archives	\$ 36,000	\$ 14,000	8	\$ 117,300
1436	Museum of the Rockies	\$ 30,000	\$ 10,000	9	\$ 127,300
1421	Headwaters Dance Co	\$ 25,000	\$ 10,000	10	\$ 137,300
1410	Butte Citizens Pres & Revitalization	\$ 21,000	\$ 8,400	11	\$ 145,700
1426	KUFM Montana Public Radio	\$ 23,976	\$ 10,000	12	\$ 155,700
1423	Hockaday Museum of Art	\$ 60,000	\$ 10,400	13	\$ 166,100
1427	Livingston Depot Foundation	\$ 24,000	\$ 5,000	14	\$ 171,100
1415	Emerson Cultural Center	\$ 21,270	\$ 8,400	15	\$ 179,500
1417	Friends of the Museum of the Plains Indian	\$ 9,000	\$ 3,000	16	\$ 182,500
1425	International Choral Festival	\$ 6,840	\$ 6,200	17	\$ 188,700
1412	Butte Silver Bow Public Library	\$ 38,060	\$ 5,000	18	\$ 193,700
1433	Montana Historical Society	\$ 45,127	\$ 10,400	19	\$ 204,100
1428	Mai Wah Society/ Museum	\$ 22,341	\$ 6,000	20	\$ 210,100
1435	Montana Museum of Art & Culture	\$ 25,500	\$ 10,700	21	\$ 220,800
1437	Musikanten Montana	\$ 16,000	\$ 2,000	22	\$ 222,800
1409	Big Sky Repertory Theatre	\$ 24,368	\$ 10,700	23	\$ 233,500
1434	Montana Mandolin Society	\$ 8,000	\$ 2,000	24	\$ 235,500
1438	North Valley Music School	\$ 20,000	\$ 9,300	25	\$ 244,800
1413	Butte Symphony Assoc	\$ 5,388	\$ 1,000	26	\$ 245,800
1419	Glacier Symphony & Chorale	\$ 23,000	\$ 7,500	27	\$ 253,300
1420	Hamilton Players, Inc	\$ 24,867	\$ 5,000	28	\$ 258,300
1442	Yellowstone Chamber Players	\$ 13,300	\$ -	29	\$ 258,300
1441	U of M Western	\$ 7,800	\$ -	30	\$ 258,300
1443	Youth Arts in Action	\$ 19,160	\$ -	31	\$ 258,300
1439	Powell County Museum & Arts Fndn	\$ 1,350	\$ -	32	\$ 258,300
1422	Helena Symphony Orchestra & Chorale	\$ 40,000	\$ -	33	\$ 258,300
1431	Missoula Community Access TV	\$ 12,000	\$ -	34	\$ 258,300
1429	Mainstreet Uptown Butte, Inc.	\$ 40,000	\$ -	35	\$ 258,300

Cultural and Aesthetic Grant Program

Table F-6
Cultural and Aesthetic Grant Program
2011 Biennium Cultural Trust Applications & Recommendations

Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE
Operational Support					
1467	Montana Arts	\$ 12,000	\$ 9,000	SSO-1	\$ 267,300
1475	Museums Assoc of Montana	\$ 20,000	\$ 12,500	SSO-2	\$ 279,800
1468	Montana Dance Arts Association	\$ 13,500	\$ 9,000	SSO-3	\$ 288,800
1469	Montana Performing Arts Consortium	\$ 39,000	\$ 15,000	SSO-4	\$ 303,800
1472	MT Assoc of Symph Orchestras (MASO)	\$ 27,400	\$ 12,500	SSO-5	\$ 316,300
1473	Museum & Art Gallery Director's Assoc	\$ 30,000	\$ 12,000	SSO-6	\$ 328,300
1470	Montana Preservation Alliance	\$ 40,000	\$ 12,000	SSO-7	\$ 340,300
1483	Shakespeare in the Parks	\$ 40,000	\$ 10,400	1	\$ 350,700
1448	Big Horn Arts & Crafts Assoc	\$ 20,000	\$ 13,500	2	\$ 364,200
1488	Western Heritage Center	\$ 40,000	\$ 10,400	3	\$ 374,600
1460	Holter Museum of Art	\$ 60,000	\$ 15,000	4	\$ 389,600
1462	MCT, Inc	\$ 40,000	\$ 12,000	5	\$ 401,600
1444	Alberta Bair Theater	\$ 25,000	\$ 11,100	6	\$ 412,700
1447	Beaverhead Co Museum	\$ 20,000	\$ 12,000	7	\$ 424,700
1445	Archie Bray Foundation	\$ 50,000	\$ 10,400	8	\$ 435,100
1446	Art Mobile of Montana	\$ 30,000	\$ 13,300	9	\$ 448,400
1449	Billings Symphony Society	\$ 25,000	\$ 15,000	10	\$ 463,400
1492	Yellowstone Art Museum	\$ 90,000	\$ 13,900	11	\$ 477,300
1458	Great Falls Symphony	\$ 20,000	\$ 10,000	12	\$ 487,300
1457	Grandstreet Theatre	\$ 36,500	\$ 9,000	13	\$ 496,300
1461	Intermountain Opera Assoc	\$ 20,000	\$ 7,500	14	\$ 503,800
1482	Schoolhouse History & Art Center	\$ 70,912	\$ 20,000	15	\$ 523,800
1459	Helena Presents/Myrna Loy Center	\$ 32,000	\$ 12,000	16	\$ 535,800
1455	Custer County Art Center	\$ 32,000	\$ 15,000	17	\$ 550,800
1485	Sunburst Community Foundation	\$ 18,310	\$ 8,000	18	\$ 558,800
1478	Pondera Arts Council	\$ 20,000	\$ 5,900	19	\$ 564,700
1480	Rimrock Opera Company	\$ 21,000	\$ 5,900	20	\$ 570,600
1453	Carbon Co Historical Society	\$ 25,000	\$ 13,300	21	\$ 583,900
1479	Pondera Historical Association	\$ 25,000	\$ 8,000	22	\$ 591,900
1466	Montana Ag Center & Museum	\$ 24,000	\$ 9,000	23	\$ 600,900
1456	District 7 HRDC Growth Thru Art	\$ 30,000	\$ 13,300	24	\$ 614,200
1487	VSA Arts of Montana	\$ 13,050	\$ 8,000	25	\$ 622,200
1491	Writer's Voice (Billings YMCA)	\$ 31,000	\$ 13,700	26	\$ 635,900
1481	Rocky Mountain Ballet Theater	\$ 33,000	\$ 7,000	27	\$ 642,900
1477	Paris Gibson Sq Museum of Art	\$ 60,420	\$ 13,900	28	\$ 656,800
1450	Bozeman Symphony Society	\$ 20,000	\$ 9,000	29	\$ 665,800
1452	Carbon Co Arts Guild & Depot	\$ 28,800	\$ 9,600	30	\$ 675,400
1465	MonDak Historical & Art Society	\$ 30,940	\$ 10,300	31	\$ 685,700
1464	Missoula Cultural Council	\$ 8,000	\$ 3,000	32	\$ 688,700
1463	Mission Valley Friends of the Arts	\$ 6,000	\$ 2,000	33	\$ 690,700
1451	Butte Center for the Perf Arts	\$ 30,000	\$ 10,000	34	\$ 700,700
1486	Vigilante Theatre Company	\$ 15,000	\$ 6,000	35	\$ 706,700
1454	Copper Village Museum & Arts Cntr	\$ 28,505	\$ 9,500	36	\$ 716,200
1474	Museum of Beartooths/Stillwater Hist Soc	\$ 20,000	\$ 10,000	37	\$ 726,200
1484	Southwest MT Arts Council	\$ 30,459	\$ 10,000	38	\$ 736,200
1490	World Museum of Mining	\$ 25,000	\$ 11,100	39	\$ 747,300
1489	Whitefish Theatre Company	\$ 30,000	\$ 10,000	40	\$ 757,300
1471	Montana Repertory Theatre	\$ 20,000	\$ -	41	\$ 757,300
1476	NW MT Hist Soc Museum -Central School	\$ 36,000	\$ -	42	\$ 757,300

Cultural and Aesthetic Grant Program

Table F-6 Cultural and Aesthetic Grant Program 2011 Biennium Cultural Trust Applications & Recommendations					
Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE
Capital Expenditure					
1503 Sanders County		\$ 25,000	\$ 11,100	1	\$ 768,400
1501 Polson-Flathead Historical Museum		\$ 25,000	\$ 10,000	2	\$ 778,400
1494 Billings Preservation Society		\$ 54,926	\$ 12,000	3	\$ 790,400
1495 City of Great Falls/Mansfield Center		\$ 7,500	\$ 5,000	4	\$ 795,400
1497 City of Shelby		\$ 45,000	\$ 5,000	5	\$ 800,400
1499 Mineral Co. Museum & Historical Society		\$ 4,500	\$ 2,000	6	\$ 802,400
1502 Ravalli County Museum		\$ 14,150	\$ 5,000	7	\$ 807,400
1498 Clay Arts Guild of Helena		\$ 4,500	\$ 2,000	8	\$ 809,400
1496 City of Helena Civic Center		\$ 35,250	\$ -	9	\$ 809,400
1500 Old Trail Museum		\$ 4,500	\$ -	10	\$ 809,400
1493 Arts Council of Big Sky		\$ 31,125	\$ -	11	\$ 809,400
TOTAL REQUESTED/RECOMMENDED		\$ 2,640,360	\$ 809,400		

State Buildings Energy Conservation Program

Purpose - The State Buildings Energy Conservation Program, operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

Background

- The program was started with one-time-only federal grant funding, then from 1993-2007 the state sold general obligation (G.O.) bonds and used the bond proceeds to pay for energy efficiency improvements. These bonds are being repaid using the energy cost savings from the projects. In the 2008-2009 biennium general funds were used for energy improvements.
- Projects are designed so the cost savings exceed the investment and can then be used to pay bond debt service or be recaptured for reinvestment in new projects.
- Energy efficiency improvements include replacing old, inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- After energy improvements are in place, the DEQ provides on-going training and technical assistance to facility staff to ensure that energy savings are maintained.

Since the Last Session

First Use of General Funds – As part of its cash-and-carry philosophy of using available one-time cash rather than incurring debt, the Schweitzer Administration proposed a change, which was approved by the 2007 Legislature, to use \$3 million in general funds for energy improvements. Bond issuance costs will not need to be recaptured leaving more for investments in energy and water conservation improvements. Cost savings from these general fund projects will be captured and made available for reinvestment in energy improvements.

Emphasis on Achieving More Energy Savings at a Faster Rate – In November of 2007, Governor Schweitzer directed all agencies to reduce facility-related energy use by 20 percent by the end of 2010. Initiatives were immediately started to reduce energy use through operational changes and employee education. At least half of this 20 percent will come from cost-effective investments in energy retrofits to state facilities, reflected in the proposal to the 2009 Legislature.

Energy analyses have been completed on over 50 buildings throughout the state to identify energy saving potential. Capital improvements are needed to achieve the conservation goals, improve efficiency and reduce energy use and costs. Capital improvement projects have been closely coordinated with the Long Range Building Program so that projects that can pay for themselves through energy savings do so.

Executive Recommendation-

Establish an ongoing mechanism to reduce energy use in state government by creating revolving accounts to fund energy improvements and operate the state buildings energy conservation program. Cost savings will be recaptured and used for additional projects in the future.

Allocate \$24 million in OTO general funds to establish the revolving accounts with \$22.5 million going to capital projects and \$1.5 million to program operation including energy analysis, data collection and program implementation.

The following projects are recommended for approval.

Dept of Admin

- State Liquor Warehouse Upgrade *
- Capitol Complex Controls*
- Aviation Support Building Infrared heating and boiler replacement

State Buildings Energy Conservation Program

- Capitol Complex Boiler Plant Building burner upgrade and interruptible supply*
- Walt Sullivan Building replace chiller and steam boiler*
- Justice Building AC upgrade*
- Lee Metcalf Building Lighting Upgrade and controls*
- Cogswell Building chiller replacement*
- DPHHS Building controls*
- FWP Building boiler replacement and VAV retrofit lower floor*
- Scott Hart Building chiller replacement, and ventilation*
- OPI 1227 11th Avenue retrocommission
- OPI 1300 11th Avenue replace HVAC system
- Residential Office Buildings 6th & 8th Avenues new furnaces and envelope improvements

Dept of Agriculture

- State Grain Lab Mechanical Upgrade controls and demand ventilation*

Department of Commerce

- Reeder's Alley lighting & heating upgrades
- Miscellaneous Virginia City Buildings furnace and lighting improvements

Department of Corrections

- Men's Prison Mechanical & Electrical Upgrades*
- New Biomass Boiler Prison Industries*

Department of Fish Wildlife & Parks

- Hatchery Energy Improvements Statewide
- Regional HQ Improvements Billings, Missoula, Great Falls, Kalispell, HVAC replacements, controls and lighting.

Department of Justice

- Butte Highway Patrol Heating & Envelope Improvements
- State Crime Lab HVAC replacement and building wide controls

Department of Labor & Industry Workforce Centers

- Missoula controls upgrade
- Great Falls new chillers & controls
- Butte lighting and controls
- Miles City new furnace
- Bozeman lighting and new furnaces

Department of Military Affairs

- Statewide energy improvements*

Department of Natural Resources and Conservation

- Spurgin Road Complex new pump frequency drives, lighting, furnace replacements
- Field office campuses statewide furnaces, envelope improvements, lighting.

Department of Public Health and Human Services

- Montana Mental Health Nursing Center Lewistown ventilation and air conditioning heat recovery.*
- Montana Development Center control upgrades, lighting, pump replacement back interruptible fuel.
- Vets Home Upgrade replace older HVAC install controls and demand ventilation.*
- Warm Springs Boiler removal of old central boiler with smaller staged boilers.
- Eastern Montana Vets Home kitchen ventilation improvements and controls.

State Buildings Energy Conservation Program

Montana School for the Deaf & Blind

- Administration Building VAV retrofit and controls.
- Vocational building envelope improvements and lighting*
- PE Complex lighting controls and domestic hot water improvements.

Department of Transportation

- Helena HQ upgrade new boilers VAV retrofit and lighting.
- Helena Shop heat recovery new boilers and controls.
- Heating system and lighting upgrades Billings, Bozeman, Butte, Missoula.
- Maintenance Shops Statewide unit heater replacement lighting and envelope.

Montana University System Campus Energy Projects

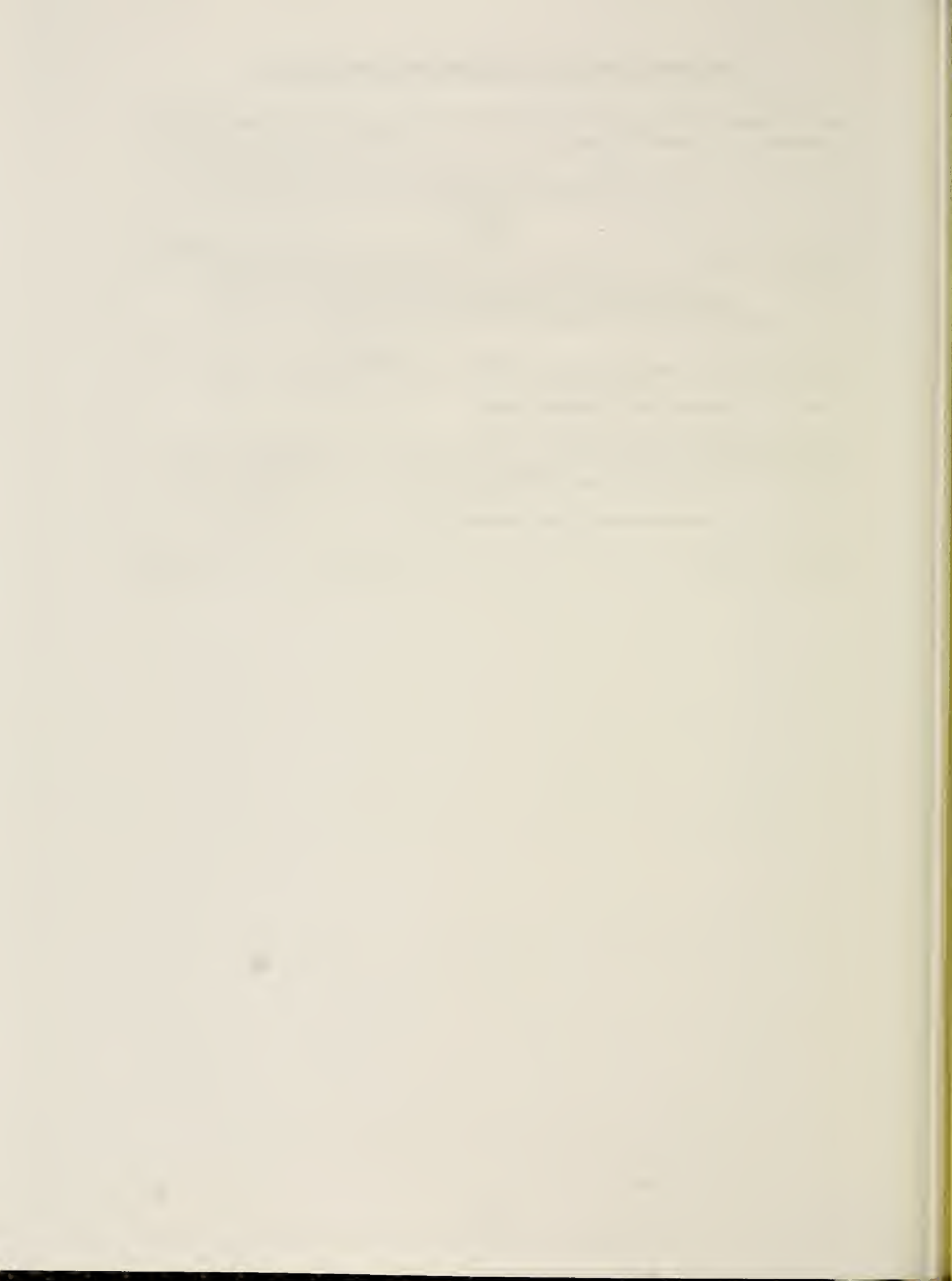
- Projects throughout the university system. Energy analyses are underway to identify specific projects.

- * denotes a project that is also included in both the State Buildings Energy Program and the Long Range Building Program. The State Buildings Energy Program covers the energy improvement reducing the investment needed by the Long Range Building Program.

Long Range Information Technology

Table F-7 shows all LRIT projects for the 2011 Biennium. More information on each project can be located in the IT section of this volume.

Table F-7 HB 10				
Depart	Project	GF	SSR	FSR
DOR	Improve Efficiency through Imaging Technology	3,366,178		
DOA	Inter-operational and Infrastructure Backbone build out	2,000,000		
DOA	ESSC Relocation and Equipment	3,500,000		
Gov	Governor's GIS Challenge Program	1,000,000		
DoLI	Building Standards System (One Stop E-Permitting)		2,250,000	
DoLI	Licensing Standard System (COTS System)		2,250,000	
DoLI	UI Tax Modernization (upgrade or replacement)		19,735,567	
DPHHS	MMIS	4,000,000		90,000,000





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION IT: INFORMATION TECHNOLOGY SUMMARY



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



Information Technology Recommendations

Introduction – Information technology budget requests are extracted from the executive budget and presented separately in this section to comply with 17-7-123(1), MCA. Each major IT decision package in excess of \$250,000 for the biennium is presented in the following. These projects, if approved, will require formal project management and oversight, and will be reported to the Legislative Finance Committee during the interim.

Information technology funding requests are presented in two bills in the executive budget. HB 2 includes funding requests for operations and maintenance, and may represent an on-going cost of state services.

In contrast, new investments in information technology assets are appropriated as long-range capital projects in HB 10. IT projects are investments in state service infrastructure. HB 10 projects are complex and are likely to extend through more than one biennia, making these projects more appropriate to be funded in a long range program.

The contents of each bill are summarized separately below.

Information Technology Service Division Rates - HB 2 Section R

Information Technology Services Division (ITSD) of the Department of Administration is a proprietary program that manages central computing and telecommunications services for state government. ITSD provides central mainframe and mid-tier computer services, and manages the statewide data network called SummitNet, used by all agencies located throughout the state. ITSD provides local and long distance telephone network services used by all agencies, including the university system, and manages the state's video network. ITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. ITSD also manages the Continuity of Operations (COOP), Security, Architecture, and IT Project Management Enterprise Offices.

Funding for ITSD comes primarily from charges to state agencies for server and application hosting, and data/voice network services. A significant portion of ITSD's budget is Enterprise Services. Funding for Enterprise Services comes from agency charges based on a per-user allocation.

ITSD's rates are based on the FullCost Maturity Model (FMM), an activity based budgeting model. Over the past year, ITSD has defined over 260 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. Rates are based on a detailed allocation of expenditures and staff time to each service. Each agency's budget includes their anticipated consumption of ITSD services valued at the proposed detailed rates.

Based on increase of services and agency predicted growth, ITSD's FY 2008 base expenditures of \$36,140,078 are requested to increase to \$39,929,886 in both FY 2010 and FY 2011.

ITSD's base expenditures and rates are affected by previously approved initiatives and the increased services they provide for more detailed information regarding the ITSD budget; see Section P of the executive budget. An explanation of these initiatives and their funding impact is presented below.

Network Expansion On-going Transport Costs

This request is for on-going funding to provide converged (Voice, Video and Data) network connectivity and state services to state agencies and Montana communities added under the Network Expansion Project funded in HB 4 passed by the 60th Legislative Special Session in May 2007. The purpose of this project is to continue to provide converged IT services to rural locations within Montana.

ESSC Operating Costs

With the completion of the Helena and Miles City data centers, authorized by the last legislature there will be new operating and maintenance costs. Included in this request is \$1,297,720 for maintenance charges paid to DOA General Services for the Helena site and maintenance and utility costs for the Miles City site for the biennium.

Microsoft Enterprise License Agreement

The State of Montana Microsoft Enterprise License Agreement is a volume licensing program that simplifies license management, provides maintenance benefits and includes rights to any supported version of and

upgrades to the latest versions of Microsoft Professional Plus software products (Outlook, Word, Excel, PowerPoint, Access, Publisher, InfoPath, and Communicator) for the term of the contract. It also provides licenses to upgrade all desktops with a current Microsoft operating system license and covered under the agreement to the Windows Vista operating system. The cost is an additional \$1,875,380 for three years, after which ITSD will pay only the maintenance costs for a period of the contract renewable over seven years.

House Bill 2 Information Technology Decision Packages

Table IT-1 shows the projects included in HB 2

Table IT-1 HB 2 IT Projects				
Depart	Project	GF	SSR	FSR
Leg	TVMT Consolidation	\$1,195,164		
Leg	Reserve Funds for Obsolete System - OTO	\$5,000,000		
OPI	21 st Century E-Learning - Montana Virtual High School	\$1,450,000		
MBCC	Criminal History Record Improvement Grant			\$382,000
CHE	PBS Restore One-time funding to be On-Going	\$400,000		
MDT	Variable Message Signs		\$189,307	\$757,228
MDT	Computer Services Contract		\$427,465	
DoR	Improve Efficiency Through Field Computers - OTO	\$794,000		
DoA	High Performance Computing Operations - BIEN/OTO	\$2,000,000		
DPHHS	Emergency Department / Hosp Discharge Surveillance		\$300,000	
DPHHS	MTAP New Technology - BIEN		\$1,600,000	

Legislative Branch

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$528,288	\$528,288
FY 2011	\$666,876	\$666,876

NP3 – TVMT Consolidation of Funding and Transmission

The first part of this proposal is to consolidate funding for Television Montana (TVMT) in the LSD. Payments made from carryforward appropriations, one-time-only appropriations, and legislative feed bills are not included in the present law base. The LSD asks the Legislature to recognize the combined costs already being paid from multiple funding sources and to consolidate appropriations for TVMT. A total of \$331,336 is included in LSD's present law budget; the first part of this proposal appropriates an additional \$283,570 general fund to the LSD for the 2011 biennium to eliminate the use of carryforward funds, one-time appropriations, and beginning with the 2011 session, legislative feed bills. As directed by the Legislative Council, the second part of this proposal is to increase transmission efforts to reach Montana communities not previously included in the TVMT viewing area and to continue the same transmission effort during the legislative interim as during a legislative session. The combined cost for both years of the biennium is \$1,195,164 general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000,000	\$5,000,000
FY 2011	\$0	\$0

NP4 – Reserve Funds for Obsolete Systems – OTO

Section 5-11-407, MCA, created the legislative branch reserve account to set aside funds for major legislative branch information technology projects. Funds in the reserve account are invested pursuant to Title 17, chapter 6, and may only be expended with the approval of the Legislative Council. The estimated reserve balance at the end of fiscal year 2009 will be \$500,000 following replacement of the House and Senate voting systems and boards and fiscal year-end 2009 reversions.

The Legislative Services Division is requesting the legislature transfer \$5 million general fund into the reserve account to provide funding for the replacement of the Legislative Automated Workflow System (LAWS) and appurtenant systems for bill drafting, engrossing, enrolling, committee minutes, journal, bill status and code update. The replacement process is projected to take four years beginning in fiscal year 2010 and ending in fiscal year 2013.

Office of Public Instruction

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$450,000	\$450,000
FY 2011	\$1,000,000	\$1,000,000

NP21 – 21st Century E-Learning – Montana Virtual High School

This request for \$1.45 million in the 2011 biennium is to provide pass-through funding to establish a year-round virtual high school in the University of Montana (UM) School of Education. The virtual high school will provide distance learning courses to increase access for all students in Montana to support quality schools to provide core courses for accreditation, accelerated learning classes, and credit recovery to improve graduation rates. In the first year, the UM, guided by and advisory council, will conduct a needs assessment and build curriculum based on the results of the assessment. In the second year, Montana certified quality educators will be hired to deliver e-courses to students who remain enrolled in their local school districts. In addition, the virtual high school will serve as a source to integrate e-learning in Montana's teacher preparation programs.

Crime Control Division

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$191,000	\$0
FY 2011	\$191,000	\$0

PL107 – Criminal History Record Improvement Grant

The Montana Board of Crime Control (MBCC) administers the National Criminal History Record Improvement Grant. These funds are intended to improve the exchange of information between states and nationally. This request is to obtain additional spending authority to reflect increases in federal grant funds. It is anticipated that the available federal funding will increase by \$191,000 each year of the biennium.

Commissioner of Higher Education

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP920 – PBS Restore One-Time Funding to Be On-Going

The 2007 Legislature provided one-time-only support for the Public Broadcast System (PBS) for \$400,000 for FY 2008 only. This request restores funding, \$200,000 general fund per year, on an ongoing basis.

Department of Transportation

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$946,535	\$0
FY 2011	\$0	\$0

PL306 – Variable Message Signs

This request is for five Variable Message Signs (VMS) and four support structures to address traveler notification needs at Lookout Pass and Rocker. The estimated cost is \$757,228 in federal special revenue and \$189,307 in state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$202,357	\$0
FY 2011	\$225,108	\$0

PL1503 – Computer Services Contract

The executive recommends an increase of \$202,357 in FY 2010 and \$225,108 in FY 2011 of state special revenue. This request is for a scheduled increase in the maintenance contract and for partial restoration of the base for continued enhancements to the various contract permitting, registration, and licensing systems.

Department of Revenue

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$475,000	\$475,000
FY 2011	\$319,000	\$319,000

NP80008 – Improve Efficiency Through Field Computers - OTO

The Department of Revenue, Property Assessment Division requests \$794,000 in one-time-only general fund for the 2011 biennium to help provide an increase in appraisal efficiency that is required for it to meet its constitutional charge to fairly and equally value property. This request will provide hand held laptop computers (plus the necessary software enhancement) to division staff members for field use. The exponential growth in the work of the Property Assessment Division over the past many years coupled with a net reduction in staff over that same time period means the division has to find ways to become more efficient. Eliminating as much duplication of effort is an essential ingredient to increased efficiency. The current process for performing field work functions such as capturing new construction, updating building characteristics, discussing property values with property owners, resolving AB-26 and appeal issues, etc. is cumbersome at best. Each event involves many pieces of paper and the involvement of multiple staff. This proposal contemplates the use of a pen-based/hand held/laptop computer system to help staff capture and maintain property information while in the field.

Department of Administration

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,000,000	\$2,000,000
FY 2011	\$0	\$0

NP6109 - High Performance Computing Operations - Bien/OTO

The 2007 Legislative session approved an economic development proposal for Butte through the establishment of a high performance computer center. The proposed request is for operating funds for the start-up of the facility. It includes funding for a lease in the Thorton Building and operating costs to run the high performance computer.

Department of Health and Human Services

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$0
FY 2011	\$150,000	\$0

NP70004 -- Emergency Department / Hosp Discharge Surveillance

This request is for \$150,000 for each year of the biennium in SSR funds (tobacco master settlement) for operational costs and for contracted services to be provided by the Montana Hospital Association to fully implement an emergency department and hospital discharge monitoring system within DPHHS. Availability of emergency department and hospitalization claims data is essential to monitor the health status of Montanans and to guide actions by the department and other health organizations to improve health and inform policy deliberations and legislation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$800,000	\$0
FY 2011	\$800,000	\$0

NP10015 -- MTAP New Technology (BIEN)

DSD requests \$1.6 million state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

House Bill 10 Long- Range Information Technology Investments

HB 10 requests funding for eight major information technology projects. These projects represent significant, complex investments in service delivery infrastructure. Each project is briefly presented below.

Table IT-2 shows the projects included in HB 10.

Table IT-2 HB 10 IT Projects				
Dept	Project	GF	SSR	FSR
DoR	Improve Efficiency through Imaging Technology	\$3,366,178		
DoA	Interoperability Montana Matching Funds	\$2,000,000		
DoA	ESSC Relocation and Equipment	\$3,500,000		
Gov	Governor's GIS Challenge Program	\$1,000,000		
DoLI	Building Standards System (One Stop E-Permitting)		\$2,250,000	
DoLI	Licensing Standard System (COTS System)		\$2,250,000	
DoLI	UI Tax Modernization (upgrade or replacement)		\$19,735,567	
DPHHS	MMIS	\$4,000,000		\$90,000,000

Department of Revenue

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,366,178	\$3,366,178
FY 2011	\$0	\$0

Improve Efficiency through Imaging Technology

The Department of Revenue, Information Technology and Processing Division requests \$3,366,178 in one-time-only general fund and ongoing costs in the 2011 biennium to implement a data imaging system to facilitate more efficient handling of paper returns and other documents that will improve the department business processes in the areas of compliance, tax processing, and information technology. This imaging technology proposal, at a cost of \$3.3 million in the 2011 biennium, will create efficiencies that generate \$3.5 million in revenue in the 2011 biennium. Enhanced business efficiencies resulting from this proposal will improve taxpayer services by speeding up processing and help to provide sound studies and analysis for the executive, the legislature, and the public on tax policy matters.

This proposal will incorporate the use of imaging technology with its current computer systems to enhance and improve the processing of information received in the form of paper documents from the public. This represents the next logical step in the continued implementation of both the Integrated Revenue Information System (IRIS) and the Property Valuation Assessment System (PVAS) by adding imaging and workflow functionality for document handling and storage. These funds would allow the department to purchase document imaging equipment and transition to converting paper information to electronic in a rapid, automated system that captures more tax information than at present. The result will be greater efficiency and speed in processing; faster refunds and more timely and accurate service to the public.

The department is responsible for the administration, security, and confidentiality of state tax documentation, in both physical and electronic formats. In transporting physical documents, the risks of disclosure are unnecessarily heightened. Imaging and workflow will greatly enhance the department's ability to protect confidential taxpayer

information of both payments and documents. Imaging of documents will also provide improved document disaster recovery. Expenditures are anticipated to be one-time-only with the exception of ongoing costs such as maintenance and support.

Department of Administration

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,000,000	\$2,000,000
FY 2011	\$0	\$0

Interoperability Montana Matching Funds

The Interoperability Montana (IM) request is an essential continuation of the Interoperability Montana Communication Project deployment and is intended to continue the build-out of the Interoperability Montana public safety radio system to regions in central and eastern Montana, with future impact on other areas of the state. Specifically, the funding approved through this request will provide \$2,000,000 to be used for matching funds for federal grants to leverage the money to maximize potential. These matching grants are anticipated to be utilized for infrastructure upgrades and radio system expansion in southwest, western, and central Montana.

The IM Project is led by a board of directors consisting of nine local and three state agencies, with local, tribal, state and federal non-voting partner groups. All 56 counties and 7 tribes are members, in addition to most state agencies that utilize radios. Over the past four years, the IM group has led deployment of equipment and services to improve interoperable communications. Previous legislative appropriations allowed the State of Montana to leverage an additional \$13,000,000 in federal funding that required state matching funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,500,000	\$3,500,000
FY 2011	\$0	\$0

ESSC Relocation and Equipment

The Helena and Miles City Enterprise Systems Services Centers (ESSCs) are expected to be ready for occupancy by January, 2010. The success of the ESSCs will be greatly impacted by the start-up experience of ITSD and agencies using the ESSCs from the outset. This proposal provides ITSD with one-time-only funding for relocating existing IT equipment and services to the new facilities and establishing the communications required to operate a second facility.

The proposal includes the cost of using consultants experienced in moving data centers for both the planning of the move events and on-site oversight of the physical moves, movers experienced in moving sensitive electronic equipment, and charges from key vendors, to assist in the disassembly, reassembly, and testing of moved equipment.

This proposal also includes essential telecommunications equipment to be installed in the Miles City ESSC. Servers and data stored in the Eastern Montana facility must be accessible through State of Montana secure network to provide services to state workers and Montana citizens, and to provide needed technical support for the Miles City site. Additionally, the mission of the Miles City ESSC to provide "non-stop" support for critical state services requires redundant, high quality telecommunications infrastructure in the Miles City facility. The equipment will allow site access to the wide area network (WAN), provide redundant connections to the servers and storage devices in Miles City, and support remote administration and support of Miles City equipment by Helena technicians. General fund support is requested to provide front-end financing of these important services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,000,000	\$1,000,000
FY 2011	\$0	\$0

Governor's GIS Challenge Program

In September 2008, Governor Schweitzer announced several geospatial challenges, charging the Montana Land Information Advisory Council (MLIAC), the State of Montana statutory Geographic Information Council, with promoting the development of spatial information and applications that directly aid clean energy and economic development issues. Among the seven challenges, four are directly related to renewable energy, including Pine Beetle Infestation (Red & Dead), Carbon Sequestration Zones, a Montana Energy Atlas (wind, geothermal, methane, coal, hydroelectric, and ethanol), and Organic Matter (Carbon Credits). Three challenges are related to economic issues including Drought, Abandoned Mines, and Mineral Rights Ownership. All challenges will leverage the state's existing base digital geographic data, commonly called the Montana Spatial Data Infrastructure (MSDI). Some challenges will require enhancements to MSDI as well as development of issue specific data.

The Montana Base Map Service Center (BMSC) under the direction of the state's Geographic Information Officer (GIO) provides coordination for all these efforts. Working with the Department of Environmental Quality (DEQ), the GIO is striving to make both location and environmental data associated with abandoned mines available to help fuel a reclamation economy. Initial abandoned mines applications should be available in early 2009. The chief of the BMSC has researched existing wind energy data and maps and is working with DEQ and the Montana State Library to update the content of the existing maps with new wind speed and power data acquired by data loggers. Additionally the BMSC has acquired mineral rights ownership on federal, state, and split estate properties in Rosebud County and is working with a private contractor to determine the cost for these data statewide. The BMSC forecasts that this data can be web enabled by May 2009. The BMSC is also working with federal partners USGS and the Forest Service on solutions that can document the severity and changing acreage of the Pine Beetle Infestation on an on-going basis. Additionally, the Montana Heritage Program of the University of Montana has proposed to the GIO analytic solutions using GIS tools that would help forecast drought conditions and predict carbon footprints on the landscape.

These challenges present opportunities for local, tribal, state, federal, and private sector agencies to form partnerships to produce solutions. These solutions will leverage existing spatial databases and GIS technology, as well as require development of new data; for example landcover data, that can potentially be used by multiple challenges. By July 1, 2009, the BMSC will develop a white paper that describes progress made since the Governor addressed the MLIAC, and what additional help, if any, will be needed to engage in full-fledged statewide projects that meet the challenges.

HB 10 includes \$1,000,000 one-time-only funding for creation of additional data layers and enhancements to the MSDI to support the Governor's GIS Challenge.

Department of Labor and Industry

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,250,000	\$0
FY 2011	\$0	\$0

Building Standards System (One-Stop Permitting)

This is a proposed system to provide business and technical services related to a comprehensive statewide data management and e-permitting system for State Building Codes responsibilities.

The Bureau of Building and Measurement Standards (BBMS) establishes and enforces minimum building (including accessibility), plumbing, mechanical, electrical, energy, elevator, and boiler codes used by state and local governments in Montana. Additionally, BBMS sets operating standards, provides technical assistance and annual certification to local governments (ARM 24.301.207 (1) through (4)). In addition to the state, there are currently 46 local building departments, known in Montana as Certified Local Governments (certified cities, counties and towns), that issue and track building-related permits and conduct plan reviews and inspections using a variety of manual and technology-enabled systems.

The primary goal of this project is to acquire a data management and customer service system to better serve the needs of the citizens of Montana, the design-build community, and the Department of Labor and Industry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,250,000	\$0
FY 2011	\$0	\$0

Licensing Standard System (COTS System)

This request proposes a system to provide the licensing bureaus (Business and Occupational Licensing and the Health Care Licensing) with a comprehensive data management and e-government licensing system for the 39 boards/programs and the approximately 150 license types.

The primary goal of this project is to acquire a comprehensive system in that it will include the ability to track all data from the original application to the issuance of the license and provide additional services to the citizens of Montana via e-government.

In response to this identified requirement, the Business Standards Division (BSD) has initiated a process of conducting an internal business process analysis and system requirement evaluation to provide business and technical services relating to an e-government solution and will be soliciting a request for proposal.

This will provide:

- requested services to Montana citizens via e-government
- standardization between the licensing bureaus and among the licensing boards/programs.
- cross training for staff among the various boards and programs
- use licensing staff more efficiently within the license renewal cycles of boards and programs
- Technology upgrade to gain efficiencies within the WEB based architecture.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$19,735,567	\$0
FY 2011	\$0	\$0

Unemployment Insurance – UI Tax Modernization

The division seeks to (1) enhance the current UI Tax mainframe system; (2) build a new custom system; and (3) integrate with MISTICS system to ensure federal and state unemployment insurance requirements continue to be met. In addition, the proposal will improve and increase on-line, self-service access for customers and enhance internal security controls.

The current UI Tax system was revived in SFY 2005 when the UI Tax program was moved back to the Department of Labor following termination of the POINTS project. The UI Tax system is based on dated technology, and computer programmers with the expertise to support the system are difficult to find and demand high wages. The 2007 Legislature authorized the UI Division to conduct a feasibility study related to the risks of retaining and maintaining the current system as well as determining options for building a new system. The department is currently in the process of issuing an RFP for the feasibility study. Results from the study should be available by December 2008.

Department of Public Health and Human Services

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$90,000,000	\$4,000,000
FY 2011	\$0	\$0

MMIS Replacement

The Department of Health and Human Services requests funding to replace the current MMIS system with a new system using updated technology. Montana's current MMIS system is mainframe CICS/VSAM and utilizes COBOL legacy language that has been in operation since 1985. The system was previously updated in 1997 and certified by CMS in 1998. Due to the old technology and data integrity of our existing system, the department finds it necessary to update the current MMIS with a system using the most current technology in order to increase the accuracy and timeliness of processing claims.

The MMIS would be enhanced to include new business functionality identified during the Medicaid Information Technology Architecture (MITA) assessment as well as functionality required by federal law. In addition, the vendor would be required to re-engineer the system architecture (enhance maintainability; upgrade data access and storage capability, etc.) The MMIS would be able to support multiple benefit plans including managed care plans, premium payment plans, and multiple fee-for-service plans with different claims adjudication policies. The new MMIS would process all claims for Medicaid, the State Mental Health Services Plan (MHSP), the Developmental Disabilities Program, and the Breast and Cervical Cancer Program. The system will also need to have the flexibility to process claims from other programs that are not listed here. It will also issue premium payments for the Big Sky Rx and be capable of issuing capitation payments and performing enrollment broker functions to support managed care program administration.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION R: REFERENCE

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



Office of Budget and Program Planning Staff Listing

As of November 15, 2008

David Ewer, Budget Director

Amy Carlson, Assistant Budget Director

Helen Kittel, Administrative Officer

Amy Sassano, Assistant Budget Director

Jeanne Nevins, Administrative Assistant

Revenue Analysts

Ralph Franklin

Eric Dale

Stephanie Morrison

Ryan Evans

Christine Hultin-Brus

<u>Code</u>	<u>Agency</u>	<u>Budget Analyst</u>
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Section A – General Government

1104	Legislative Branch	Shawn Graham
1112	Consumer Counsel	Shawn Graham
3101	Governor's Office	Amy Sassano
3201	Secretary of State	Mark Bruno
3202	Comm. of Political Practices	Shawn Graham
3401	State Auditor	Shawn Graham
5801	Dept. of Revenue	Mark Bruno
6101	Dept. of Administration	Mark Bruno
6103	State Fund	Mark Bruno
6104	PERS (non-budgeted)	Mark Bruno
6105	TRS (non-budgeted)	Mark Bruno
6106	Consensus Council	Amy Sassano
6501	Dept of Commerce	Mark Bruno
6602	Dept of Labor & Industry	Shawn Graham
6701	Dept of Military Affairs	Shawn Graham

Section B – Public Health and Human Services

6901	Dept. of PHHS	Pat Sullivan, Erin Powers, & Ryan Evans
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Section C – Natural Resources and Transportation

5201	Dept. of Fish, Wildlife & Parks	James Chamberlain
5301	Dept. of Environmental Quality	James Chamberlain
5401	Dept of Transportation	James Chamberlain
5603	Dept. of Livestock	Shawn Graham
5706	Dept. of Natural Resources and Cons.	James Chamberlain
6201	Dept. of Agriculture	Shawn Graham

Office of Budget and Program Planning Staff Listing

Section D – Judicial Branch, Law Enforcement, & Justice

2110	Judicial Branch	Brent Doig
4107	Crime Control Division	Brent Doig
4110	Dept. of Justice	Brent Doig
4201	Public Service Regulation	Brent Doig
6108	Office of Public Defender	Brent Doig
6401	Dept. of Corrections	Brent Doig

Section E - Education

3501	OPI	Nancy Hall
3511-5	Colleges of Technology	Suzan Scott
5101	Board of Public Education	Nancy Hall
5102	Commissioner of Higher Education	Suzan Scott
5103-8	MUS Six Units	Suzan Scott
	Community Colleges and Research	Suzan Scott
5109	MAES	Suzan Scott
5110	MCES	Suzan Scott
5111	Forestry Experiment Station	Suzan Scott
5112	Bureau of Mines	Suzan Scott
5113	School for the Deaf & Blind	Nancy Hall
5114	Montana Arts Council	Nancy Hall
5115	State Library	Nancy Hall
5117	Montana Historical Society	Nancy Hall
5119	Fire Services Training School	Suzan Scott

Section F – Long Range Planning – Christine Hultin-Brus

Budget Background Information

Details on How the 2009 Biennium Budget was Developed

Personal Services – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on June 30, 2008, which was the end of the fiscal year. OBPP prepared the FY 2010 and FY 2011 personal services budgets to reflect HB 3 adopted by the 2007 Legislature, workers comp, unemployment insurance, FICA, retirement contribution rates, number of hours each fiscal year, longevity adjustments, and health insurance rates. These personal services schedules are included in the present law base for current level positions that are authorized for FY 2009 and thus authorized to continue into the 2011 biennium.

Inflation/Deflation - The adjusted base for FY 2010 and FY 2011 includes fully funded personal services costs in the 61000 expenditure accounts. It does not include per diem for boards and advisory committees, overtime, shift differential pay and holidays worked. In addition, the following accounts have been inflated/deflated from the FY 2008 base amounts due to the new recommended amounts/rates:

<u>Account</u>	<u>Name</u>	<u>FY 2010</u>	<u>FY 2011</u>
62205	Food	6.3%	8.3%
62225	Reference Books	15.56%	24.80%
62251-98	Meat and Misc Food Items	6.3%	8.3%
62216	Gasoline	19.76%	22.68%
62216A	Aviation Gasoline	19.76%	22.68%
62242	Diesel Fuel	19.76%	22.68%
62242A	Jet Fuel	19.76%	22.68%
62304	Postage	2.44%	2.44%
62404	In State Motor Pool	19.07%	20.76%
62414	Out of State Motor Pool	19.07%	20.76%
62434	In State Motor Pool Trng	19.07%	20.76%
62445	Out of State Mtr Pool Trng	19.07%	20.76%
62510	Motor Pool Leased Veh.	19.07%	20.76%
62601	Electricity	5.7%	6.8%
62603	Natural Gas	6.90%	6.90%
62604	Laboratory Gas	10.8%	10.8%
62607	Propane	10.8%	10.8%
63125	Library Books	15.56%	24.80%

No other inflation or deflation is included in the adjusted base budgets for FY 2010 and FY 2011. Agency requests for other changes to the adjusted base budget were submitted in decision packages (DPs), which will be listed individually in Sections A – E of the budget.

Fixed Costs - Although most agencies will be billed in the 2011 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions, various Information Technology charges which are based upon actual usage, warrant writing fees for warrants actually issued, and that portion of lease vehicles based on number of miles driven. The total of fixed costs for the 2011 biennium is shown for each fiscal year just above. A brief summary of each fixed cost follows and the manner in which each of these objects was adjusted in the budget is summarized.

Fixed Costs for the 2011 Biennium		
<u>Fixed Cost Account</u>	<u>FY 2010 Amount</u>	<u>FY 2011 Amount</u>
Insurance (62104)	\$12,297,443	\$12,297,452
Warrant Writer (62113)	\$1,087,866	\$1,122,620
Payroll Service (62114)	\$3,302,238	\$2,842,536
Legislative Audit Fees (62122)	\$3,560,300	
SABHRS (62148)	\$4,507,446	\$4,344,459
ITSD Fees (621TSD)	\$4,470,713	\$4,470,713
Messenger Services (62307)	\$276,982	\$276,982
Capitol Complex Rent (62527)	\$10,393,842	\$11,189,981
Grounds Maintenance (62770)	\$496,649	\$536,509
SWCAP (62888)	\$4,034,066	\$4,235,768

Budget Background Information

Details on How the 2009 Biennium Budget was Developed

Insurance - The state self-insures for property losses under \$250,000 and claims for general liability, errors and omissions, inland marine, auto liability, and foster care liability.

FY 2008 Budget: \$12,881,099 FY 2010 Budgeted: \$12,297,443 FY 2011 Budgeted: \$12,297,452

Warrant Writer - Check writing and auto-deposit capabilities for two million annual transactions are provided to state agencies. The service is charged out on actual experience and projected based on historical demand.

FY 2008 budget: \$1,024,644 FY 2010 projected: \$1,087,866 FY 2011 projected: \$1,122,620

Payroll Service - Payroll processing for more than 13,500 state employees has projected operating expenses of \$3,302,238 in FY 2010 and \$2,842,536 in FY 2011.

Audit - Total statewide financial compliance audit costs for the 2011 biennium are \$3,560,300. Biennium financial compliance audit costs for the 2009 biennium were \$3,308,527.

SABHRS - Costs to finance the Statewide Accounting, Budgeting, and Human Resource System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$8,851,905 in the 2011 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

Information Technology Services Division (ITSD) Fees - ITSD's rates are based on the FullCost Maturity Model (FMM), an activity based budgeting model. Over the past year ITSD has reorganized its rates structure and defined over 260 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. For a wide variety of services, agencies will have the choice of using the service or altering the units consumed. Based on increase of services and agency predicted growth, ITSD's FY2008 base expenditures of \$34,282,677 is requested to increase to \$39,641,152 in FY2010 and \$40,321,602 in FY2011.

Messenger Service - Mail sorting, outgoing pickup and incoming mail delivery to all state agencies within the Helena area is a budgeted cost, then distributed as a fixed cost to customer agencies, based upon historical volume, the number of FY 2008 holdouts (similar to a post office box), and the number of FY 2008 deliveries. The distributed fixed costs are \$276,982 each year of the 2011 biennium.

Department of Administration Rent - Agencies within the Capitol Complex will pay \$8.869 and \$9.002 per square foot for office space in FY 2010 and FY 2011, respectively. Warehouse space is budgeted at \$4.804 per square foot (psf) in FY 2010 and \$5.010 psf in FY 2011.

Grounds Maintenance - Capitol grounds maintenance, snow removal, and water charges are paid by Capitol Complex agencies at a rate of \$0.541 psf of rented office space in FY 2010 and \$0.543 in FY 2011.

SWCAP (Statewide Cost Allocation Plan) - The costs of certain general government services financed from the general fund are recovered from non-general fund programs. The OBPP, the Accounting Principles and Financial Reporting Sections, the Treasury, the Classification unit, Labor Relations unit, and the Administration & Policy unit of the State Personnel Division are allocated. The SWCAP is based upon an allocation to each state agency for the cost center budget based on indirect measures of workload generated by that agency. The total amount allocated to agencies is \$8,269,834 in the 2011 biennium.

Vacancy Savings - Vacancy savings of 4 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. In addition, the Montana Highway Patrol and Game Wardens in the Department of Fish, Wildlife & Parks are statutorily exempt from vacancy savings. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$65.6 million in all funds for the biennium.

HB 13 pay plan bill also includes a very important biennial contingency account of \$3 million general fund and \$3 million other funds for agencies that are unable to achieve the 4 percent vacancy savings due to lack of staff turnover and agencies that are unable to absorb the full costs of retirement payouts. A number of agencies are projecting very

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significant, costly retirements in the 2011 biennium and the Executive recommends this contingency, rather than funding individual agencies for unknown projected costs.

Agency Budgets – The detailed budget for each state agency is available on the Internet at http://mt.gov/budget/budgets/2011_budget/HB2-detail-111508.pdf and http://mt.gov/budget/budgets/2011_budget/SA-detail-111508.pdf

Agency Mission, Goals and Objectives - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at http://mt.gov/budget/budgets/2011_budget/2011GO_default.asp

Analysis of Receipts by Fund - The analysis of receipts by fund required by 17-7-124, MCA, is available on request from the OBPP, Room 277 State Capitol.

Proposed Five Percent Budget Reduction Plans – The budget requirements found in 17-7-111(3)(f), MCA, state that agencies with more than 20 FTE must submit a plan to reduce the proposed base budget for the agency from the general appropriations act and the state pay plan by five percent. The plans only apply to the general fund and those state special revenue funds that transfer their interest or fund balance to the general fund. Also exempted are legislative audit costs and administratively attached entities that hire their own staff. All state agencies with the exception of one have submitted their plans and they are available upon request from the OBPP, Room 277 State Capitol.

Resource Indemnity Trust Tables

Table R-1 represents the executive revenue estimate and the statutory allocation of the RIT interest for the 2011 Biennium

Table R-1 Resource Indemnity Trust Interest Allocation (\$ millions)				
Entity	Actual	Forecast		
	FY 2008	FY 2009	FY 2010	FY 2011
Total Revenue	\$5.801	\$5.672	\$5.767	\$5.990
Biennial Fixed Allocations				
Oil & Gas Damage Mitigation	\$0.050	\$0.000	\$0.050	\$0.000
Water Storage	\$0.500	\$0.000	\$0.500	\$0.000
Annual Fixed Allocation				
Natural Resources Projects	\$3.500	\$3.500	\$3.500	\$3.500
Ground Water Assessment	\$0.300	\$0.300	\$0.300	\$0.300
Future Fisheries	\$0.500	\$0.500	\$0.500	\$0.500
Environmental Contingency	\$0.175	\$0.175	\$0.175	\$0.175
Remainder	\$0.776	\$1.197	\$0.742	\$1.515
Annual Percentage Allocations				
Natural Resource Operations (65%)	\$0.504	\$0.778	\$0.483	\$0.985
Hazardous Waste/CERCLA (26%)	\$0.202	\$0.311	\$0.193	\$0.394
Environmental Quality Protection (9%)	\$0.070	\$0.108	\$0.067	\$0.136

Resource Indemnity Trust Tables

Table R-2 shows the proposed 2011 biennium appropriations and revenues in the various RIT accounts recommended for the house bills and state agencies.

Table R-2 Resource Indemnity Trust 2011 Biennium		02010 Oil & Gas Damage Mitigation	02022 Future Fish Enhancement	02070 Hazardous Waste- CERCLA	02162 EQPF	02216 Wa Sto	02289 Grd Wa	02472 Orphan Sh	02578 Operations	02577 Projects	02107 ECA
Beginning Fund Balance		306,597	1,250,166	556,252	9,082,900	4,187,225	-	11,991,498	1,783,950	1,384,748	785,501
58010	RIT Interest 598009org	50,000	1,000,000	537,232	185,985	500,000	600,000		1467095	7,000,000	350,000
58010	Gen Gov'l Revenue										
58010	RIGWA (RIT 79611)			654921	854,921	150,000	732,000			1,460,364	
57060	Resource Devel/Recreation Rev (CARRD) 13										
53010	Transfer from Orphan Share Fund (LC 294)				8,965,000			(8,965,000)			
53010	Cost Recovery from Liable Parties				3,128,000						
57060	Agency Generated Revenue										
57060	Water Resources 14										
53010	Safe Drinking Water 545811										
53010	Taxes										
53010	Charges for Services										
53010	BOI Earning										
53010	Grants and Transfers										
53010	Hazardous Waste PPG Grant 574911										
53010	Agency Generated Revenue										
21100	Water Court								8,000		
58010	Metal Mines Tax								2,183,318		
58010	Cogs Oil and Gas							11,188,753	3492771	3,492,771	
58010	DAR Receivables - Rev Accruals FYE										
57060	Oil and Gas Tax 12 (Orphan Share)	50,000									
Total Revenue and Fund Balance		408,597	2,250,166	1,748,405	21,996,786	4,837,225	1,332,000	14,215,249	8,933,132	13,337,883	1,115,501
52010	FWP - Testing of Elk for Brucellosis										
57060	DNRC - Centralized Services (21)	9,000									
57060	DNRC - Conservation and Resource Devel (23)	44,000				200,000		1,360,000	1,340,772		
57060	DNRC - Water Resource Devel (24)								456,644		96,000
57060	DNRC - Forestry/Trust Lands(35)								200,000		
53010	DEQ - Central Management Program(10)			700,000	1,810,000			20,000	119292		
53010	DEQ - Enforcement(30)							6,200	10422		
53010	DEQ - Permitting & Compliance(50)			260,000				6,200,000	4,218,901		4,000
53010	DEQ - Planning, Prevention & Assist.										
53010	DEQ - Remediation Division										
21100	Judiciary- Water Court (pgm05)								2100569		
51020	UM - Bureau of Mines					1,332,000			351772		
51150	Library Commission - State Library										
52010	Future Fisheries		1,000,000								
67010	Dept of Military Affairs										
57060	DNRC - Conservation and Resource Devel										
	HB 6 Grants Natural Res. Projects 2577									5,100,000	
	HB 6 Planning Natural Res. Projects 2577									800,000	
	HB 6 Operations Natural Res. Projects 2577										
	HB 6 - would have been a loan										
	HB 7 Grants Natural Res. Projects 2577										
	HB 7 Planning Natural Res. Projects 2577									800,000	
	HB 8 Loans/bonds Natural Res. Project 2577										
OTOs	NP - State Water Projects Rehabilitation					535,000					
	PL - Damage Mitigation Well Plugging	154,000									
	PL - UBMC Litigation to CERCRA Site				1,200,000						
	PL - UBMC Accelerated Remediation CECRA Sites				700,000						
	NP - DNRC/DEQ Reliance Refinery				7,500,000						
	PL - Kalispell Reliance Refinery Yale Oil Oversight				2,400,000						
	PL - CERCRA Accelerator Remedial Base Adj				6,000,000						
Total Appropriations		207,000	1,000,000	960,000	18,410,000	735,000	1,332,000	7,586,200	8,798,372	6,700,000	100,000
Ending Fund Balance		201,597	1,250,166	788,405	2,586,786	4,102,225	-	6,629,048	134,760	6,637,883	1,015,501

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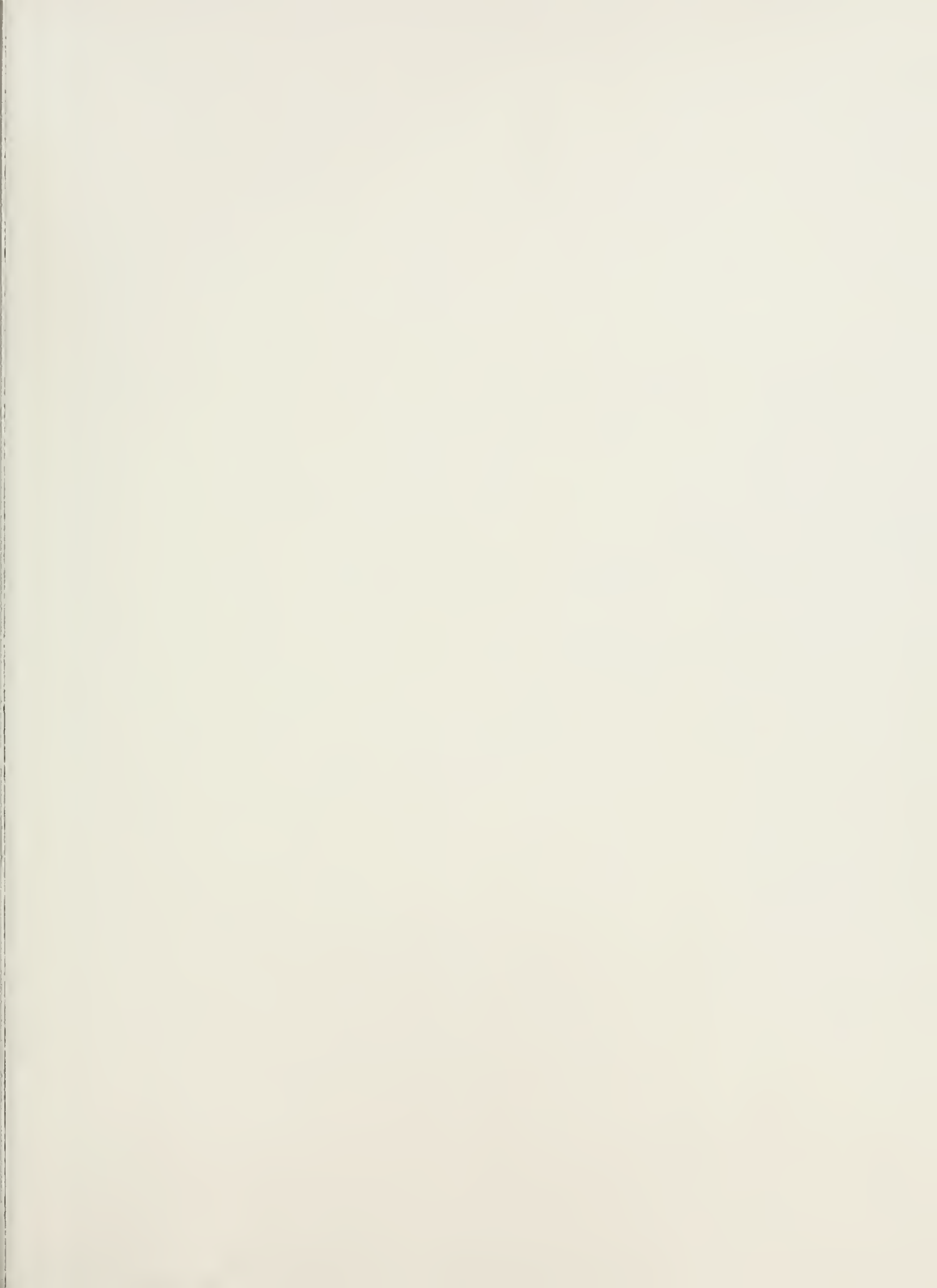
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